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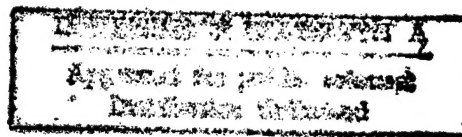
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East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2314



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EAST EUROPE REPORT
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CONTENTS

GERMAN DEMOCRATIC REPUBLIC

- Law on Water Management Passed by People's Chamber
(FRANKFURTER ALLGEMEINE, 3 Jul 82, GESETZBLATT DER
DEUTSCHEN DEMOKRATISCHEN REPUBLIK, 21 Jul 82) 1
- West German Commentary
Text of Water Law, by Erich Honecker
First Implementing Decree, by Werner Krolikowski
Second Implementing Decree, by Werner Krolikowski
Third Implementing Decree, by Werner Krolikowski

HUNGARY

- Communications Factory Struggles To Adjust to Market Demand
(Frigyes Berecz; NEPSZABADSAG, 11 Aug 82) 56
- High Costs of Investment Capital Raise Controversies
(Patricia Molnar; NEPSZAVA, 30 Jul 82) 61

POLAND

- Modernization of Maritime Fleet Reported
(ZYCIE GOSPODARCZE, 1 Aug 82) 64
- Special Currency Exchange Rates Published
(TRYBUNA LUDU, 23 Aug 82) 68

LAW ON WATER MANAGEMENT PASSED BY PEOPLE'S CHAMBER

West German Commentary

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 3 Jul 82 p 5

/Article signed "Ws." datelined Berlin, 2 July: "New Water Law of the GDR Is To Apply to West Berlin As Well--Agreement of 1951 Guarantees Allied Sovereignty and Grants East Berlin Only Operational Rights." Translations of the official text of the water law and its implementing decrees follow this commentary/

/Text/ On Friday last, 2 July 1982, the GDR People's Chamber passed a new water law regulating the management use and protection of water and waters, the upkeep and dredging of waters and flood protection. The law provides that the waterways in West Berlin are also waters in the meaning of this GDR law, in other words that the law is to apply to West Berlin too. Article 6 states: "As regards Berlin (West), the ministry for transportation (of the GDR) is competent for all issues affecting waterways, including the state water control."

This new legislative provision of the GDR does not correspond to the actual legal situation arising from the Berlin Four-Power Status and Allied legal rules. In accordance with the 1951 agreement between the British and Soviet occupying powers, the main waterways agency in East Berlin--now part of the GDR ministry for transportation, main administration of waterways and inland navigation--is entitled only to the technical operation of the locks located in Berlin (West), because the operation of locks must proceed as per superordinated aspects in consideration of the water needs of the Brandenburg waterways network. As in the case of the railroads, the GDR therefore has no more than operational rights with regard to waterways in West Berlin. Consonant with the 1957 water budget law and the 1960 Berlin water legislation, state water control of waterways in West Berlin is assigned to the Berlin senator for construction and housing as the competent water authority, not to the GDR ministry for transportation.

Ever since the end of World War II, the respective Allied sector commander has been the holder of sovereign rights regarding West Berlin waterways. This was most recently pointed out by the Allied Military Command in Berlin in November 1981, on the occasion of the reopening of the Teltow Canal: "The sovereignty of the U.S. commander with regard to the Teltow Canal and the status of the canal are not affected." By Allied decrees dating back to 1949, the entire control and administration of all property, personnel and traffic on West Berlin waterways was subordinated to the authority of the city administration. In this respect also the GDR holds no powers

affecting West Berlin waterways. The GDR's only authority relating to West Berlin waterways refers to "the limited operational functions of the main waterways agency" (stated in an order issued with the force of law by the Allied Military Command). The new GDR water law is certainly not able to change anything respecting the sovereignty of the competent Allied sector commander relating to waterways in his sector and the established responsibilities of the Berlin senate.

In addition to the water law and the law on agricultural producer cooperatives (LPG law), the People's Chamber last Friday, 2 July 1982, approved the treaty on friendship and cooperation between the GDR and Afghanistan as well as consular agreements with Afghanistan, Cuba and the Caribbean island republic of Grenada. In replacement of 83-year old Ernst Goldenbaum who recently resigned from the chairmanship of the Democratic Peasants Party of Germany and was now also relieved of his seat in the Council of State, the People's Chamber elected Ernst Mecklenburg, the new chairman of the Peasants Party, as member of the Council of State and one of the deputies to Honecker in his capacity as chairman of the Council of State. Also appointed to the Council of State was Prof Ernst Kolditz, since last fall unaffiliated president of the National Council of the GDR National Front.

Text of Water Law

East Berlin GESETZBLATT DER DEUTSCHEN DEMOKRATISCHEN REPUBLIK in German Part I
No 26, 21 Jul 82 pp 467-476

/Official text of "Water Law of 2 July 1982," signed by Erich Honecker, chairman, GDR State Council/

/Text/ The organization of the developed socialist society in the German Democratic Republic represents a growing challenge to the rational use and protection of waters in all spheres of society and to the planned reproduction of water resources.

Our efforts must be directed to the stable and good quality public supply of potable water, the availability of industrial water to ensure the dynamic growth of industrial production and the intensification of agricultural production, the intensive use of waters for fishing and the assurance of navigation with the greatest possible economic efficiency.

Rational water use is the main approach to the accomplishment of these assignments.

The availability of the water supply and the capacity of waterworks facilities must be improved by complex socialist intensification, especially the use of science and technology. To meet water needs in all circumstances, lower investment costs, conserve energy and improve efficiency, water users must conduct a determined struggle for rational water use, the reduction of water losses and the lowering of the demand for water.

To be ensured for the preservation of the usefulness of waters are upkeep and dredging, the orderly treatment of sewage and protection against water pollutants and other harmful affects. Flood control and cost defense must be guaranteed to protect the lives of citizens, social production and socialist and personal property against flood waters and dangers arising from ice.

Opportunities for sport and recreation at our waters must be preserved.

The nationally decisive water-related tasks must be centrally managed and planned.

The rational utilization and the protection of waters are the duty of all state organs, combines and enterprises as well as the concern of all citizens and their social organizations.

The People's Chamber therefore enacts the following law:

Section I--Scope

Article 1

(1) This law applies to

-- State organs,

-- State combines and enterprises, economy managing organs, cooperatives, enterprises of other types of ownership, facilities and social organizations (hereinafter described as enterprises). Also deemed to be enterprises are military formations and administrative offices of the armed organs,

-- Owners and usufruct holders of real property,

-- Citizens.

(2) This law regulates the management, utilization and protection of water and waters, the upkeep and dredging of waters and flood control.

(3) Waters in the meaning of this law are the inland waters, inland seas, territorial waters and the waterways in Berlin (West) listed in the appendix as well as ground water. Article 6 relates to the application of this law with respect to waterways in Berlin (West).

Section II--Principles for the Management, Planning and Execution of Water Supply Tasks

Article 2--Principles

(1) Water is an irreplaceable basis of life and the social reproduction process. Its natural supply cannot be multiplied. Its availability must be increased as planned by way of intensification. Water must be used rationally in all spheres. The waste of water must be prevented.

(2) Water and waters must be protected against anything adversely affecting their usefulness or liable to result in threats to the life and health of citizens, damage to the economy, the fauna and flora, or to have other adverse consequences.

(3) Ground water must at all times be reserved for the supply of potable water. Industrial water supplies to industry and agriculture must be derived mainly from surface waters.

(4) The rational supply and the protection of waters, water supplies, sewage treatment, flood control and coast defense must be taken into account when locations are chosen for industrial and agricultural production facilities, traffic equipment, housing construction and recreational facilities.

(5) Water management measures must be managed, planned and carried out in conformity with the needs of national defense, internal security and order.

Article 3--Water Management-Related Tasks

(1) The management, planning and execution of water supply-related tasks must be directed to

- a) The public supply of potable water and industrial water supplies for all other users in the volume and quality required as well as the satisfaction of water needs of the armed organs, civil defense and the fire service;
- b) The upkeep and dredging of waters in order to regulate water flow and maintain their usefulness and environmental functions;
- c) The improvement of the availability of the water supply and its rational management by river catchment areas, the enforcement of rational water use and the effective utilization of water supply-related capital equipment by all branches of the economy and social spheres;
- d) The preservation of the usefulness of waters by sewage treatment and protection against water pollutants and other adverse influences as the indispensable condition for repeated use, for fishing, for the assurance of health, recreation and sports, and for the avoidance of economic damage;
- e) Control of flood waters, storm floods and ice as well as flood control to avoid danger to the life and health of citizens, social production, socialist and personal property.

(2) Citizens are to be involved in the execution of water supply tasks and their initiatives encouraged. The collaboration of citizens as voluntary helpers and on volunteer bodies must be ensured.

Responsibility

Article 4

(1) The Ministry for Environmental Protection and Water Management is the Council of Ministers organ for the central management and planning of the water supply. On the basis of legal regulations it orders the management and use of water and waters consonant with social needs and the available water supplies. By steady and long-range conceptual work it provides the bases for the development and rational use of the water supply available and, therefore, the proportional development of water management so as to ensure the social reproduction process. Subordinated to it as organs are the water management directorates organized by river catchment areas and regions as well as combines, enterprises and facilities.

(2) The Ministry for Environmental Protection and Water Management is responsible for handling the following assignments:

- The satisfaction of water needs by the rational management of the water available, both in volume and quality;
- Balancing the water available with water needs in water balances based on the analysis of water management conditions by river catchment areas, the implementation of measures for equalizing the water balances, and the establishment of state normatives;
- The stable public supply of potable water by volume and quality as well as the diversion and treatment of municipal sewage by public facilities of water management;
- The improvement of the availability of the water supply by the use of scientific-technological results in complex socialist intensification and by hydro-geological exploration;
- The enforcement of rational water use in all branches of the economy and social spheres;
- The coordination and control of water management measures in all branches of the economy;
- The upkeep and dredging of waters of special importance for water management and the regulation of drainage;
- The assurance of social flood control and coast defense.

(3) In the river catchment areas and regions the water management directorates must

- On the basis of the constant analysis of water supply conditions draft long-term conceptions for the development of water management by river catchment areas, coupled with the enforcement of the efficient use of water supply-related capital equipment in all branches of the economy and social spheres;
- Ascertain the need for and the availability of water and draft water balances;
- Ensure the rational management and the improvement of the availability of water supplies, the enforcement of rational water use and the protection of waters;
- Keep up and dredge waters and maintain the relevant water management installations as well as construct, maintain and operate installations of the social flood control and coast defense.

Article 5

(1) The state water control is the state organ for the regulation of the use of waters and for the supervision of the observance of legal regulations relating to the use and the protection of water and waters, the upkeep of waters and water

management facilities as well as flood control and coast defense. It may issue instructions for the implementation of legal duties with respect to the use of water, the use, protection and upkeep of waters and flood control. It issues water balance decisions, permits and approvals and fixes state normatives for the use and consumption of industrial water as well as for the recovery of byproducts.

(2) The Ministry for Environmental Protection and Water Management is responsible for the state water control unless otherwise provided in paragraph 3 and article 6.

(3) Within the scope of the armed organs the agencies authorized by the competent minister attend to the tasks and powers of the state water control as set out in this law.

Article 6

(1) The Ministry for Transportation is responsible for the upkeep and dredging as well as the operation of the waterways listed in the appendix and for the duties of the state water control as per article 17 paragraph 2 related to these waterways.

(2) With regard to Berlin (West), the Ministry for Transportation is competent for all issues involving waterways including the functions of the state water control.

Article 7

By adopting management decisions, state organs, combines and economy managing organs must ensure the required water management measures in enterprises. In this connection scientific-technological advances, the best possible efficiency of capital equipment management as well as the best possible energy and materials management must be enforced for the rational use and the protection of water and waters.

Article 8

Enterprises must prepare and carry out all measures necessary for their operations and involving water supplies and sewage treatment as well as enterprise protection against floods and other water damage. To be ensured at the same time is rational water use, the protection of waters and the recovery of byproducts. Enterprises must appropriately maintain and operate their water supply facilities.

Article 9

(1) Local people's representations and their councils coordinate and control water management measures, especially the public supply of potable water, rational water use in enterprises as well as sewage treatment and flood control in the region. They decide water protection and reserve areas.

(2) Local councils set up control area committees to protect potable water supplies and flood danger areas as well as chart committees and dam advisory boards.

Article 10--Authorized Agents for Water

To help the managers carry out their water management duties, central state organs and enterprises must generally appoint authorized agents for water.

Section III--Use of Water and Waters

Article 11--Principles

Water and waters must be so used as to safeguard water supplies for the public, the branches of the economy and social spheres as well as the recreation of citizens, while largely avoiding adverse effects on the water budget, the land and buildings, navigation, fishery and agriculture.

Article 12--Rational Water Use

- (1) Enterprises are obligated to rationally use water, reduce water demand, lower water losses, ensure sewage treatment and the recovery of byproducts, and avoid damage to waters.
- (2) In order rationally to use water, enterprises must give priority to the following:
 - By comprehensive socialist intensification, especially the application of science and technology, to raise the capacity of water management installations,
 - To avoid any waste of water and lower water losses,
 - To reduce specific and absolute water needs, develop and introduce water conserving or waterless production processes,
 - To utilize every opportunity for multiple use and the circulation of water, with the aim of creating closed circulation systems,
 - To apply water need standards and further develop them consonant with scientific-technological advances,
 - To reduce the industrial use of potable water from public waterworks,
 - To develop all opportunities for feeding potable water from enterprise waterworks into the public water supply network,
 - To lower the incidence of sewage by sewage treatment and the recovery of byproducts consonant with the highest scientific-technological standards,
 - To avoid damage to waters, especially by pollutants.
- (3) When developing products and processes, central state organs and enterprises must ensure that the requirements of rational water use are met.

Article 13--Joint Use of Facilities and Waters

- (1) Waterworks must be constructed and extended as community facilities if this is required for the efficient use of capital equipment.
- (2) Waters and capital equipment relating to the water supply must be used in common if this serves to raise economic efficiency.

Sewage Treatment

Article 14

When planning and preparing production capacities, new production processes or the construction, remodeling or modernization of residential districts involving an increase in the volume of sewage or sewage byproducts, state organs and enterprises must ensure that the facilities needed for sewage treatment are provided. The operation of factories or settlement of residential districts is permitted only if sewage treatment is guaranteed at the same time.

Article 15

(1) State organs and enterprises must make sure that the volume of sewage and the concentration of sewage byproducts is reduced. Enterprise sewage is to be so treated as to satisfy the requirements of hygiene and, upon discharge into waters, the limits of water quality and sewage byproducts are not exceeded.

(2) Representatives of legal entities, owners and usufruct holders of residential, recreational and other real property not connected to public sewage plants must so treat or remove their sewage as to satisfy the requirements of hygiene and avoid damage to waters.

Article 16--Water Balance Decisions

(1) Water balance decisions must be made on the basis of water balances and state normatives. They are the prerequisites for the issue, amendment or cancellation of permits for water use or for the conclusion, amendment or cancellation of water supply and sewage discharge contracts. Water balance decisions will settle whether it is efficient in terms of the economy for water supplies or sewage discharge and treatment to be handled by enterprise plants or by public waterworks or sewage treatment plants, whether communal plants are to be constructed, waters or facilities to be used in common.

(2) Water balance decisions may be issued for specific periods and coupled with instructions.

(3) Article 18 paragraphs 1 and 2 apply mutatis mutandi to the amendment and cancellation of water balance decisions.

Water Use Permits and Legislative Provisions Concerning Water

Article 17

(1) A permit is required for the use of waters by the removal of water, the discharge of water or sewage, other measures affecting the quality of the water as well as the increase or decrease of the water level, by other use of waters damaging to the health and recreation of the citizens, the fertility of agricultural and forest areas or the flora and fauna, or substantially altering the water level, the water flow or the condition of the water. Also deemed to be use requiring a permit are the diversion, construction, removal or casing of surface waters.

(2) A permit is needed for the construction, alteration or removal of buildings and structural facilities at, in, below or above surface waters.

(3) Permits and approvals may be issued on specific terms and for specific periods and coupled with instructions. If required to avoid hazards to the life or health of the public or to meet economic requirements, other instructions may be issued subsequent to the permits and approvals.

(4) The special legal regulations applying to fishing, navigation and water sports are not affected.

Article 18

(1) Permits must be amended or canceled if so required by state normatives.

(2) Permits or approvals may be amended or canceled if

a) This is required in the interest of the economy or by other social interests,

b) Conditions or instructions are not observed, despite requests to that effect,

c) The user of the waters gives up such use,

d) The user of the waters does not exercise this right for more than 3 years, with the exception of the removal of water for the irrigation of agricultural and forest land,

e) The user of the waters does not exercise his rights in accordance with regulations.

(3) In the case of a change in the person of the legal representative or owner of buildings or structural facilities serving water use, or for which a water use permit was issued, the permit or approval is transferred to the new legal representative or owner.

Article 19--Limitation of Water Use

(1) In the case of natural emergencies or accidents likely to damage waters and their use, the heads of the state water control are authorized temporarily to alter, restrict or ban the use of waters, taking into consideration the economic effects and with the consent of the local councils.

(2) In the case of water pollution likely to result in a threat to the public, the heads of the competent state water control must promptly forbid the discharge of sewage, taking into account the economic effect. The decision requires confirmation by the superior head of the state water control.

Article 20--Charges

Payments are charged for the use of waters on the basis of legal regulations.

Section IV--Water Supply and Sewage Discharge and Treatment in Cities and Communities

Article 21--Public Water Supply and Sewage Treatment

In their capacity as public utilities and on the basis of legal regulations, the legal representatives of public water supply and sewage plants are responsible for

- The public supply of potable water and the discharge and treatment of sewage,
- Supplies of potable and industrial water for other customers and the discharge and treatment of sewage insofar as this is prescribed in legal regulations,
- The enforcement of rational water use,
- The construction, operation and extension of public waterworks and sewage plants,
- The protection of the sources of potable water.

Article 22--Water Supply in Special Conditions

- (1) In emergencies the chairmen of local councils are responsible for emergency water supplies.
- (2) In the case of disasters or breakdowns of waterworks, the chairmen of local councils are authorized to make sure of water supplies by assignments, measures for the restriction or bans of water procurement and to compel the legal representatives of non-public potable waterworks to supply water.

Section V--Protection of Water and Waters

Article 23--Principle

The protection of water and waters is a social duty of state organs, enterprises and citizens.

Article 24--Protection Requirements

Solids, liquids or gases are to be so transported, transshipped, unloaded, stored, used and removed as to make it impossible for water in waterworks and waters to be adversely affected.

Control of Pollutants

Article 25

- (1) Water pollutants must never be discharged into waters or public sewage plants. Enterprises must ensure the harmless handling of pollutants, construct the facilities required for that purpose, adopt the necessary safety precautions in accordance with the toxicity of the substances, and prevent the accidental discharge of pollutants.
- (2) Enterprises must regularly check plants where water pollutants are handled, combat accidental discharge and remove its consequences.

Article 26

- (1) Insofar as this is provided in legal regulations, the state water control must be advised of any handling of water pollutants.
- (2) If such notification shows that protective measures are needed, the state water control may issue the appropriate instructions. Such instructions may restrict, impose time limits on or entirely ban the action initially advised.

Article 27--Protection Against Damage by Sewage

- (1) To protect waters against damage by sewage, limits are to be fixed for water quality and the content of sewage. The discharge of sewage will be permitted only within the limits fixed. Sewage and its byproducts are to be utilized as per economic requirements and technical possibilities.
- (2) The limits for water quality are to be variously fixed by the state water control for river catchment areas, parts of river catchment areas or sections of waters, taking into account social conditions and requirements on the usefulness of the waters consonant with water supply development conceptions.
- (3) The limits of sewage components are to be fixed as maximum limits by the state water control when issuing permits as per article 17 paragraph 1 and on the basis of the limits for water quality. Enterprises must treat their sewage consonant with the highest scientific-technological standards and use every possibility for keeping below the limits for sewage components.

Article 28--Protection Against Other Pollutants

- (1) Insofar as this is provided by legal regulations, the state water control must be notified of measures likely to pollute waters and for which there is no permit or approval requirement. The provisions of article 26 paragraph 2 apply.
- (2) The use of land for agricultural and forestry production must proceed in such a manner as to largely exclude water pollution, especially by organic wastes, biocides and fertilizers.

Article 29--Potable Water Protection Areas and Potable Water Reserve Areas

- (1) Areas serving the production of potable water must be protected against pollution and other adverse effects on water that may involve the lowering of quality or unwarranted costs for the recovery and processing of potable water or a lowering of yields.
- (2) Kreis or bezirk assemblies must by resolution establish potable water protection areas for areas serving the production of potable water and potable water reserve areas for areas earmarked for the production of potable water within the framework of long-range conceptions. Bans or restrictions on use are in effect for such areas. Kreis or bezirk councils may issue the necessary instructions.

Article 30--Protection of Water in Plants Supplying Potable Water

Potable water and plants supplying potable water must be protected against pollutants. Legal representatives, owners or users of plants supplying potable water must therefore regularly check their installations and maintain them in a condition meeting the requirements of hygiene. The state hygiene inspectorate must carry on the hygiene supervision of plants supplying potable water.

Section VI--Upkeep and Dredging of Waters and Enlargement of Waterworks

Article 31--Principle

Surface waters and the waterworks pertaining thereto are to be maintained and enlarged for the regulation of the water flow, the preservation or restoration of their usefulness and the upkeep of the state border in border waters so as to meet requirements.

Article 32--Responsibility for Upkeep and Enlargement

(1) The responsibility for the upkeep and enlargement of waters and the waterworks facilities pertaining thereto is held by

- a) The water management directorates for the waters assigned them,
- b) The GDR waterways control agency for inland waterways and the GDR navigation agency for the ocean waterways listed in the appendix,
- c) The kreis councils for the agricultural waters assigned them,

(2) The legal representatives or owners or users of the waters hold the responsibility for the upkeep and enlargement of other waters and the waterworks, drainage and irrigation installations pertaining thereto.

(3) The legal representatives or owners or users of the waters are responsible for the upkeep of buildings, walls and other installations forming banks, projecting into the bed of the water, crossing it above or below, and of superstructures.

(4) If necessary, the state water control decides the upkeep duty as per paragraphs 2 or 3.

Article 33--Planning and Execution of Upkeep and Dredging

(1) The parties responsible for the upkeep and dredging of waters must coordinate upkeep and dredging for the purpose of planning, preparation and implementation. They are entitled to undertake the measures required in and at the waters and on bordering real property for upkeep and dredging as well as cope with natural counter emergencies. Any damage to the bordering real property and the use of waters must be avoided as far as possible.

(2) Bordering real property is so to be used and maintained that the bed and banks of the waters are not endangered nor the regulated water flow and the upkeep of the

obstructed. Kreis councils may, by resolution, decide the width of strips of banks required for maintenance. They may issue bans and use restrictions as well as the instructions required.

(2) The users of the waters are obligated, at the request of the party responsible for upkeep, temporarily altogether or in part to cease the exercise of their usufruct if that is necessary for carrying out the maintenance and dredging measures.

Section VII--Flood Control and Coast Defense

Article 34--Principle

Flood control and coast defense are tasks of state organs and enterprises to be accomplished with the involvement of the citizens and their social organizations. These tasks are primarily concerned with prevention. The flood water reporting service is to be carried out by the Ministry for Environmental Protection and Water Management.

Article 35--Responsibility for Flood Control and Coast Defense Installations

(1) The construction, upkeep and operation of installations serving social flood control and coast defense are in the competence of the water management directorates.

(2) The construction, upkeep and operation of installations exclusively serving the protection of various enterprise buildings or facilities against floods, storm floods, ice or the effects of violent downpours (enterprise flood control and coast defense) are in the competence of the legal representatives or owners of the buildings or installations to be protected.

(3) Flood control and coast defense installations, especially dikes with their forelands and dunes, may not be damaged or used inappropriately.

Article 36--Flood Areas and Dike Protection Strips

(1) Bezirk councils must, by resolution, establish as flood areas the areas between the waterway and dike or high bank as well as other areas often inundated or used for flood relief and flood retention, and dikes.

(2) Bezirk councils may, by resolution, establish dike protection strips for the upkeep of dikes and for flood control.

(3) Bans and restrictions on use apply to flood areas and dike protection strips. Bezirk councils may issue the necessary instructions.

Article 37--Coast Defense Areas

(1) Bezirk councils must, by resolution, establish coast defense areas for those coastal regions that are threatened by the incursion of the sea. To be included in coast defense areas are the forebeach, the beach, dunes and steep banks, including a strip in the back, sea dikes and coast defense forests.

(2) Bans and restrictions on use apply to coast defense areas. Bezirk councils may issue the necessary instructions.

Article 38--Protection Against Water Damage

(1) The legal representative, owner or holder of the usufruct of land and real property must carry out suitable measures against soil erosion caused by water.

(2) The natural above ground waterflow outside a body of water may be altered only if this does not damage state interests nor disadvantages other legal representatives, owners and holders of the usufruct of land and real property or users of the waters. Included therein are measures that might result in an increase of flood discharge, especially in foothill and mountain areas.

Section VIII--Use of Real Property and Installations for Water Management Measures and Compensation

Article 39--Water Reserve Areas

To safeguard the future locations of dams, reservoirs, flood control installations and long-distance water pipelines, bezirk councils must, by resolution, establish water reserve areas. They may issue bans and restrictions on use as well as the necessary instructions.

Article 40--The Use and Utilization of Real Property

(1) The observance of terms of use, the grant of temporary or permanent co-use or the right to co-use, the temporary or permanent withdrawal, the transfer of ownership rights or the change in legal representatives of real property, waters, buildings and installations (hereinafter described as change in utilization) may be demanded by

- a) Kreis and bezirk councils to establish potable water control areas, potable water reserve areas, strips of river banks, flood areas, dike protection strips, coast defense areas and water management reserve areas,
- b) Water management directorates, the GDR waterways control agency, the GDR shipping office or the kreis councils for the implementation of the upkeep and dredging of waters consonant with their responsibilities as per article 32 paragraph 1, and the water management directorates for measures of flood control and coast defense as per article 35 paragraph 1,
- c) Public utilities for the construction, operation and maintenance of public water supply and sewage installations

Changes in utilization must be contractually established between the parties concerned and, unless otherwise prescribed in legal regulations, the appropriate charges paid.

(2) Conditions for the utilization of areas as per paragraph 1 letter a do not require agreement. The provisions for the protection of agricultural and forest land and the assurance of socialist land use are not affected.¹

(3) The charge for changes in utilization also includes compensation for economic disadvantages. This compensation must always be paid in money. Capacity compensation or compensation in kind may be admitted, provided this is included in legal regulations² or agreed among the parties concerned.

(4) If no contract as per paragraph 1 is concluded, the competent state organs may restrict or withdraw the rights of users, owners or usufruct holders in real property, waters, buildings and installations.

(5) The provisions of the mining law³ are to apply mutatis mutando for the ascertainment of economic disadvantage as per paragraph 3 and for restriction or withdrawal as per paragraph 4.

Article 41--Non-Recurring Compensation

(1) If economic disadvantages arise for enterprises, owners or usufruct holders of real property or for citizens in connection with the issue, amendment or cancellation of permits or approvals as per article 18 paragraph 2, these are to be made good by a non-recurring compensation unless the provisions on consequent investments⁴ apply.

(2) Obligated to pay compensation is anyone who was issued a permit or approval, whose permit or approval was amended or canceled, or whose measures caused economic damage.

(3) The compensation must be agreed between the parties concerned. If no agreement is reached, the court or the contract court will decide the issue.

Section IX--Responsibility and Administrative Measures

Article 42--Administrative Penalty Regulations

(1) A reprimand or administrative penalty ranging from M10-M500 may be pronounced on someone who, deliberately or negligently

- a) Uses waters without the permit or approval required as per article 17,
- b) Fails to observe the instructions and terms issued with the permits or approvals as per article 17 or instructions as per articles 5 paragraph 1 and 26 paragraph 2,
- c) Fails to observe the duty to notify as per article 28 paragraph 1,
- d) Fails to meet the provisions and obligations imposed by the chairmen of bezirk or kreis councils for the assurance of water supplies as per article 22 paragraph 2,
- e) In contravention of article 24 adversely affects water in water supply installations or waters by solids, liquids or gases, or in contravention of article 25 introduces water pollutants in waters or public sewage installations, or fails to deal with accidents involving pollutants,
- f) Neglects the duty to keep up waters and water supply installations,

- g) Damages the bed of a river, river banks, facilities for flood control and coast defense or other water management installations,
- h) Without authorization enters or operates installations for flood control or coast defense or other water management installations,
- i) Fails to comply with bans, use restrictions or instructions in reserve and protection areas as per article 29 paragraph 2, article 33 paragraph 2, article 36 paragraph 3, article 37 paragraph 2 and article 39.

(2) An administrative penalty of up to M1,000 may be imposed if a deliberate violation as per paragraph 1

- 1. Causes or could cause major damage,
- 2. Social interests have been grossly disregarded,
- 3. State or public order and security are adversely affected, or
- 4. If a deliberate violation is committed for selfish advantage or repeatedly within 2 years and punished by administrative penalty.

(3) Anyone deliberately or negligently polluting water in water supply installations or waters by disease causing bacteria or, to a considerable extent, by water pollutants, or causing substantial damage to the usefulness of the waters may be punished by an administrative penalty of up to M10,000.

(4) The handling of the administrative penalty procedure is up to the managers of the state water control, the chairmen of local councils, the directors of the GDR waterways inspectorate and the GDR shipping office within the scope of their authority.

(5) In the case of minor violations as per paragraph 1, the competent staffs of the water management directorates, local councils, the GDR waterways inspectorate and the GDR shipping office are authorized to issue a reprimand and impose an administrative fine ranging from M1-M20.

(6) The law of 12 January 1968 on combating misdemeanors--OWG--(GB1 I No 3 p 101) applies to the conduct of administrative penalty proceedings and the imposition of administrative penalties.

Article 43--Financial Penalties

In the case of violations of legal duties relating to rational water use and the protection of waters, financial penalties may be imposed on the basis of legal regulations.'

Article 44--Administrative Fines

(1) To enforce instructions as per article 5 paragraph 1, article 17 paragraph 3, article 26 paragraph 2, the managers of the state water control may levy administrative fines, and so may the chairmen of kreis councils to enforce instructions as per

article 29 paragraph 2, article 33 paragraph 2, article 36 paragraph 3, article 27 paragraph 2, article 39, and the directors of the GDR waterways inspectorate and the GDR shipping office to enforce instructions as per article 17 paragraph 3. Administrative fines may be levied on

a) Enterprises in amounts up to M50,000,

b) Citizens in amounts up to M5,000.

(2) The amount of the administrative fine is to be fixed in consideration of the importance of the observance of the instruction and the seriousness of the neglect of duty, and in the case of enterprises also in consideration of the effect on funds.

(4) Warning of the possibility of a levy of administrative fines must be given in writing. The warning must include

-- The exact description of the action, implementation of which is to be enforced,

-- The term within which the action is to be carried out,

-- The amount of the threatened administrative fine.

(4) Administrative fines may be repeatedly levied for the same neglect of duty. Paragraphs 103 apply mutatis mutandi.

(4) Administrative fines are enforceable. The enforcement action against debtors in the sphere of the socialist economy proceeds upon the application of the parties authorized to levy the administrative fine as per paragraph 1 at the offending party's bank by debiting the claim from the account of the debtor. The enforcement action against debtors outside the sphere of the socialist economy is guided by the legal regulations applicable in the respective case.⁵

Section X--Appeal Provisions

Article 45

(1) Decisions as per article 5 paragraph 1, articles 16-19, article 26 paragraph 2, article 32 paragraph 4 and article 44 paragraph 1 must be given in writing and include information concerning the right of appeal. The party concerned must be informed by handing over or mailing the written decision.

(2) The decisions listed in paragraph 1 may be appealed. Appeals must be submitted to the decisionmaking organ within 4 weeks from notification of the decision and include the reasons for the appeal. The appeal must be decided within 4 weeks of receipt. If the appeal is not or not fully allowed, it must be sent on within this period to the decisionmaking authority as per paragraph 5. The appellant must be so informed. The decisionmaking authority must issue a final decision within another 4 weeks.

(3) If, exceptionally, it is not possible to arrive at a decision within the set period, an interim notice must be issued in good time, giving the reason for the delay and the likely date of conclusion.

(4) The appeal does not have a suspensory effect. The persons authorized to decide the appeal may suspend the implementation of the measures until the final decision.

(5) Authorized to decide appeals are the following:

- a) The heads of the superior state water control decide appeals against decision by the state water control,
- b) The minister decides appeals against decisions of the state water control at the Ministry for Environmental Protection and Water Management,
- c) The chairmen of bezirk councils decide appeals against decisions by the chairmen of kreis councils,
- d) The chief of the waterways and inland navigation department or the chief of the shipping department at the Ministry for Transportation decide appeals against decisions by the directors of the GDR waterways inspectorate and the GDR shipping office.

(6) Decisions on appeals must be given in writing, the reasons for the decision must be stated, and the decisions handed over or mailed to the appellant.

Section XI--Transitional and Concluding Regulations

Article 46--Transitional Regulations

Decisions issued as per earlier provisions of the water law retain their validity. Water use established before this law takes effect is subject to the provisions of this law.

Concluding Regulations

Article 47

(1) The Council of Ministers and the Minister for Environmental Protection and Water Management issue the legal regulations required for the implementation of this law.

(2) The Council of Ministers may change the competence, established in article 6, for the upkeep, dredging and operation of the waterways listed in the appendix.

(3) If general state needs, disasters or other danger situations require special measures, the Council of Ministers may issue the necessary legal regulations or assign these powers to other state organs.

Article 48

(1) This law takes effect on 1 October 1982.

(2) Losing effect at the same time are:

- a) The law of 17 April 1963 on the protection, use and upkeep of waters and on flood control--water law--(GB1 I No 5 p 77) in the version of the amending law of 11 June 1968 (GB1 I No 11 p 242), the environmental control law of 14 May 1970 (GB1 I No 12 p 67) and the second penal amendment law of 7 April 1977 (GB1 I No 10 p 100),
 - b) The first implementing decree of 17 April 1963 to the law on the protection, use and upkeep of waters and on flood control--water law--(GB1 II No 43 p 281) in the version of the decree of 24 June 1971 on the new version of regulations on appeals against decisions by state organs (GB1 II No 54 p 465),
 - c) The second implementing decree of 16 December 1970 to the water law--the use of economic provisions for keeping waters clean and for rationally using ground water and surface water--(GB1 II 1971 No 3 p 25),
 - d) The decree of 15 December 1980 on the amendment of the second implementing decree to the water law--the use of economic provisions for keeping waters clean and for rationally using ground water and surface water--(GB1 I 1981 No 7 p 85),
 - e) The order of 5 March 1968 on the admission and work of voluntary helpers of the state water control (GB1 II No 28 p 133),
 - f) Article 1, last sentence, and article 3 of the order of 22 May 1969 on the preparation, construction, operation and maintenance as well as the shut-down of industrial removing plants (GB1 II No 47 p 297),
 - g) The decree of 11 July 1974 on establishing protection areas for water withdrawal from ground water and surface water to obtain potable water (GB1 I No 37 p 349),
 - h) Article 3 of the order of 1 December 1976 on ensuring economical water use and rewarding enterprises handling water in an exemplary manner--(GB1 I 1977 No 4 p 22),
 - i) Decree of 15 December 1977 on handling water pollutants--water pollutant decree--(GB1 I 1978 No 3 p 50),
 - j) Decree of 15 December 1977 on the state water control (GB1 I 1978 No 3 p 52).
- (3) Article 28 of the law of 14 May 1970 on the planned organization of socialist environmental control in the German Democratic Republic--environmental control law --(GB1 I No 12 p 67) is given the following version:

"Article 28

To ensure potable water supplies, water recovery areas must be protected against pollution and any reduction in their yield. Kreis or bezirk assemblies must, therefore, by resolution establish potable water protection areas for regions serving potable water production and draw up conceptions on potable water reserve areas for regions earmarked for potable water production within the framework of long-range conceptions. In these areas bans or restrictions on use will apply. Kreis or bezirk councils may issue the instructions required to that effect."

FOOTNOTES

1. In effect at this time is the decree of 26 February 1981 on the protection of agricultural and forestry land and on the assurance of socialist land use--land use decree--(GB1 No 10 p 105).
2. In effect at this time are the compensation law of 25 April 1960 (GB1 I No 26 p 257) in the version of the law of 14 December 1970 on the award of usufruct rights in state real property (GB1 I No 24 p 372) and the introductory law of 19 June 1975 to the GDR civil code (GB1 I No 27 p 517) and the decree of 13 July 1978 on the planning, preparation and implementation of subsequent investments (GB1 I No 23 p 257).
3. In effect at this time are the first implementing decree of 12 May 1969 to the mining law of the German Democratic Republic (GB1 II No 40 p 247) and the second implementing regulation of 18 December 1969 to the mining law of the German Democratic Republic--compensation of economic disadvantages--(GB1 II 1970 No 13 p 65).
4. In effect at this time is the decree of 13 July 1978 on the planning preparation and implementation of subsequent investments (GB1 I No 23 p 257).
5. In effect at this time is the decree of 6 December 1968 on the enforcement of money claims by state organs and state facilities (GB1 II 1969 No 6 p 61).

Appendix to Article 6 of the Preceding Law

1. Inland Waterways

Elbe

Saale

Mittelland Canal including descent from Buchhorst to junction with the Elbe

Elbe-Havel Canal including old canals

Parey connecting canal

Lower Havel waterway including arms, lakes and the Greater Wannsee

Potsdam Havel including Schwielow and Glindow Lakes

Havel Canal

Upper Havel Waterway including Malz Canal, Voss Canal and arms

Mueritz-Havel Waterway including Rheinsberg waters

Mueritz-Elde Waterway

Stoer Waterway

Peene River

Spree-Oder Waterway including lakes, branch culverts, harbors and Old Spree, Ruhleben old arm, Lazy Spree, Spree Canal, Muggelspree and Gosen Moat

Ruedersdorfer Water including Loecknitz

Teltow Canal and Britz branch canal including Glienicke Pond, Griebnitz Lake and Griebnitz Canal and also including harbors and branch culverts

Berlin-Spandau shipping canal with access to the western harbor, Old Branch including harbors, Western Harbor Canal

Charlottenburg connecting canal

Landwehr Canal

Spandau Havel including Tegel Lake, Muehlen Moat (Spandau) and Citadel Moat (Spandau)

Dahme Waterway

Oder-Havel Waterway including arms and branch culverts as well as Finow Canal

Oder

Western Oder

Hohensaaten-Friedrichsthal Waterway including Schwedt crossing

Also assigned are waste gates, winter and works harbors, old arms, diversion channels, coupling and berthing docks, locks and lock canals

2. Shipping Lanes

Navigable channels and roadsteads with the exception of sections of waters ceded to other legal entities for their use, in the sector of the

"Bay of Wismar" shipping lane

"Warnow" shipping lane

"Waters around Ruegen and Bodden Water" shipping lane

"Peenestrom and Oderhaff" shipping lane.

The preceding law, enacted by the GDR People's Chamber on 2 July 1982, is hereby published.

First Implementing Decree

East Berlin GESETZBLATT DER DEUTSCHEN DEMOKRATISCHEN REPUBLIK in German Part I No 26
21 Jul 82 pp 477-485

/Official text of "First Implementing Decree of 2 July 1982 to the Water Law,"
signed by Werner Krolikowski, first deputy chairman, GDR Council of Ministers,
and Dr Hans Reichelt, minister for environmental protection and water management/

/Text/ The following is ordered as per article 47 paragraph 1 of the water law of
2 July 1982 (GBI I No 26 p 467):

To Article 1 of the Water Law:

Article 1

- (1) Inland waters are surface waters and their beds. Surface waters are waters flowing or standing permanently or temporarily in natural or manmade beds. This includes sources, underground stretches and closed raceways insofar as they are part or continuations of surface waters, and also water holes left behind by strip mining operations.
- (2) Ground water is the water connectively filling cavities in the earth's crust and subject only to gravity. This also includes bank filtrates and ground water generated by infiltration.
- (3) The bank's edge is the border between the surface waters and the bank and, if no well defined bank's edge is present, defined by the medium water level.

To Article 4 of the Water Law:

Article 2

- (1) In the process of smooth long-range conceptual work, water management directorates, in cooperation with bezirk councils, must draft comprehensive water management development conceptions for river catchment areas; the Ministry for Environmental Protection and Water Management, in cooperation with the State Planning Commission, ministries and other central state organs, must draft such conceptions for the sovereign territory of the republic.
- (2) Water supplies must be weighed against the socially warranted water demand and measures prescribed to arrive at water balances. In the process of planning, therefore, water management directorates must set state normatives for the use and consumption of industrial water and, if necessary, raise the availability of water supplies.

To Article 5 Paragraph 1 of the Water Law

Article 3

The functions of the state water control are exercised by the state water control at the Ministry for Environmental Protection and Water Management, the water management directorates and their superior river boards.

Article 4

- (1) The state water control keeps a water use register and checks the observance of its decisions. In cooperation with enterprises and local councils it enforces rational water use, exerts its influence to ensure the full utilization and intensification of water supply basic assets in all branches of the economy and social spheres. It checks the observance of the provisions of the water law and other legal regulations.
- (2) The state water control checks the preservation of clean waters and the discharge of sewage into waters, consonant with the requirements of the use of these waters.
- (3) Procedures for analyses to determine the substances contained in water and sewage are established by the state water control in accordance with legal regulations.
- (4) As per legal regulations fees are charged for the work of the state water control.

Article 5

Insofar as this is needed to enable them to carry out their functions, the managers and staffs of the state water control enter land and enterprise installations, inspect documents, request temporary possession of such documents as well as information and opinions, without prior notification take water and sewage samples or request samples to be submitted. They may secure evidence and obtain personal information by inspection of identity papers. Managers and staffs of the state water control must present the identity card furnished by the state water control.

Article 6

The managers of the state water control are empowered to carry out the functions and exercise the powers of subordinate state water control as well as cancel decisions by subordinated state water control if they conflict with legality.

Article 7

The state water control closely cooperates with state organs, enterprises, the state hygiene inspectorate, public utilities, persons authorized to deal with water, the voluntary helpers of the state water control, chart committees, dam advisory boards, citizens and their social organizations.

Article 8

- (1) Upon application and completion of their 18th year, a citizen may be appointed a voluntary helper of the state water control. The manager of the state water control at the water management directorate decides about the application.
- (2) Voluntary helpers of the state water control exercise their supervisory functions with the guidance of the state water control at the water management directorate.

(3) Voluntary helpers of the state water control must request the prompt cessation of irregularities that pollute or are likely to lead to the pollution of waters. They must explain the proper steps to the offenders and induce measures for the protection of the waters. If water pollution is likely to result in major damage, the voluntary helpers must promptly notify the state water control at the water management directorate. They should be involved in the ascertainment of the causes of such water pollution.

(4) Voluntary helpers of the state water control are authorized

- a) To enter land and enterprise installations in order to take water or sewage samples,
- b) To obtain personal information by inspection of identity papers if this is required for carrying out further measures,
- c) To secure evidence.

(5) Voluntary helpers of the state water control are obligated to show their identity cards when carrying out their functions and to keep confidential vis-a-vis unauthorized persons any facts they happen to learn in the course of their work.

To Article 6 of the Water Law:

Article 9

(1) The tasks of the state water control as per article 6 paragraph 1 of the water law are to be handled by the GDR waterways inspectorate and the GDR shipping office.

(2) Assignments as per article 6 paragraph 2 of the water law are to be handled by the Berlin main waterways office.

To Article 9 Paragraph 2 of the Water Law

Article 10

(1) To chart all waters and the installations pertaining thereto in their region, and independent of any responsibility for upkeep and dredging, local councils must establish local chart committees.

(2) Kreis councils must set up kreis chart committees for major waters and the pertinent water management installations of importance for water management beyond the area of the local authority as well as for flood control and coast defense areas.

(3) Bezirk councils must set up bezirk chart committees for danger areas transcending the territory of a kreis.

(4) The Minister for Environmental Protection and Water Management must prescribe the functions, composition and operating methods of chart committees. The competent local councils must issue chart orders on that basis.

Article 11

(1) Bezirk and kreis councils must set up dam advisory boards. These will coordinate the raising and lowering of water levels within the framework of the limits of reservoirs approved by the state water control as well as coordinate their operation.

(2) The Minister for Environmental Protection and Water Management must prescribe the functions, composition and operating methods of the dam advisory committees. The competent local councils must issue the relevant orders on this basis.

To Article 10 of the Water Law

Article 12

(1) The person authorized to deal with water issues is always subordinated to the manager of the state organ or enterprise. He must cooperate with the state water control and the public utilities.

(2) Institutions of popular education and culture do not require the appointment of a person authorized to deal with water issues.

(3) In justified instances and with the approval of the manager of the state water control at the water management directorate, the appointment of a person authorized to deal with water issues may be omitted.

Article 13

In central state organs, combines and economy managing organs the person authorized to deal with water issues must, in particular,

- Cooperate in the drafting of conceptions for rational water use and in the coordination of long-range planning for water management installations,
- Cooperate in enterprise analyses on enterprise water management and ensure their utilization,
- Cooperate in the ascertainment of scientifically established indices and norms of rational water use and ensure their enforcement,
- Cooperate in the drafting of five-year and annual economic plans relating to water management measures,
- At the time that assignments are drafted for product and process development ensure that water demand is lowered and water conserving or waterless production processes are introduced so as to lower consumption consonant with the highest scientific-technological standards,
- Consonant with the highest scientific-technological standards ensure the lowering of the sewage load and the recovery and utilization of byproducts from enterprise sewage,
- Instruct the persons authorized to deal with water issues in enterprises.

Article 14

In enterprises the person authorized to deal with water issues must, in particular,

- Coordinate the drafting and implementation of conceptions and regularly carry out analyses of enterprise water management,
- Cooperate in the drafting of long-range enterprise development concepts and five-year and annual economic plans to ensure the inclusion of water management measures,
- Cooperate in the preparation of investment, intensification and rationalization measures, especially the setting up of common installations,
- Check rational water use, the lowering of water demand, the reduction of the sewage load as well as supervise the measurements and assessments required for that purpose,
- Cooperate in and check the control of the operability of water supply and sewage treatment plants and check that operating and servicing instructions are observed in all enterprise water installations,
- Check the proper handling of water pollutants,
- Take notes of all events affecting water use and sewage treatment and, upon request, submit them for inspection to the state water control or public utility,
- Cooperate in the drafting of documents to secure water supplies and prevent and deal with accidents,
- Promptly inform the enterprise manager of any irregularities in water use likely to adversely affect others, of violations of the provisions of the water law, decisions by the state water control or water supply and sewage discharge contracts,
- Coordinate water management supervision within the enterprise,
- Encourage the initiatives of working people to ensure rational water use within the framework of the socialist competition and promote the movement for the distinction as "enterprise working on exemplary water management principles,"
- Cooperate in the instruction of the working people in the field of water management and the water law.

Article 15

To be able to carry out his assignments, the person authorized to deal with water issues is empowered:

- To enter buildings, rooms and installations in the enterprise,

- Request information from enterprise staffs and inspect documents,
- Submit suggestions for the distinction of staff members for exemplary achievements in the field of enterprise water management,
- Propose disciplinary measures in the case of violations of provisions of the water law,
- Institute prompt emergency measures in the case of breakdowns or accidents likely to result in damage to waters or their utilization.

Article 16

The managers of the state water control at water management directorates and superior river boards may assign to the person authorized to deal with enterprise water issues the water control functions applying only within the enterprise. The assignments must be agreed in writing with the enterprise manager.

To Article 12 of the Water Law:

Article 17

(1) At the time of five-year plan drafting, enterprises must draft conceptions on rational water use; these must be defended to the water management directorates. They are to be based on process analyses and the state normatives for industrial water use and consumption, byproduct recovery and the limits for sewage content.

(2) Conceptions on rational water use must include, in particular:

- a) The development of water needs and consumption as well as the volume of sewage,
- b) Measures for lowering water needs and consumption and for rational water use including the profit to be achieved,
- c) Measures for sewage treatment and byproduct recovery,
- d) Proof of the efficient use of basic assets relating to water management for the enterprise water supply and sewage treatment on the basis of comprehensive basic asset management studies,
- e) Planned research and development work on rational water use and byproduct recovery.

(3) The conceptions on rational water use must be given concrete shape each year by the adoption of plans of operation, coordinated with the bezirk councils and water management directorates and confirmed together with the plan documents by the managers of central state organs.

To Article 13 of the Water Law

Article 18

(1) In cooperation with the parties involved and in agreement with the council or bezirk council the state water control decides the construction of water-related

installations as mutual installations as well as the common use of waters and the water management installations pertaining thereto.

(2) The parties liable must contractually settle their rights and duties. If no agreement is achieved, the state contract court decides for enterprises subject to the scope of the contract law, the courts for all other entities.

To Article 16 of the Water Law:

Article 19

(1) The user of waters must apply to the state water control for water balance decisions in good time, so that they are to hand for the confirmation of the targets involved in the preparation of an investment. If no investment is needed, the water balance decision must be applied for no later than 6 months before the intended use or change in use of the waters, or before the conclusion, amendment or cancellation of water supply or sewage discharge contracts. The state water control may issue water balance decisions even without application.

(2) The application must include the following data:

- a) The intended location of use,
- b) The intended volume of water to be removed, the volume of any sewage involved, the time and the purpose or the intended damming or release,
- c) Possible effects of the use,
- d) The intended technology of the enterprise water management, taking into account the observation of water need standards, the capacity utilization and efficient deployment of existing and planned basic assets relating to water management as well as the intended treatment or utilization of sewage including byproduct recovery, the utilization or deposit of waste products.

The state water control may request additional data.

(3) Before the decision is made, the public utility must be consulted. The state organs, enterprise and citizens must be given a hearing insofar as this is required to prevent or compensate adverse effects.

(4) Water balance decisions are generally in effect for a period of 2 years, unless otherwise stated in the decision.

Article 20

(1) The water balance decision includes:

- a) Users of the waters or public utilities and customers,
- b) The geographical location of the utilization,

- c) Permitted volumes of withdrawal, delivery, discharge and loss as well as the purpose of the use,
- d) Decisions on the construction of enterprise or mutual installations, the common use of waters or installations or the utilization of public waterworks or sewage plants,
- e) Instructions,
- f) Regulations on compensation for utilization involved within the framework of the water balance,
- g) Dates when the measures requested are to take effect,
- h) Explanations, if required.

(2) Should the state water control find that no water balance decision is required, due to the volume or the effects of the utilization of waters, a permit is to be issued, amended or canceled in accordance with the application.

To Article 17 of the Water Law:

Article 21

(1) Applications for permits or approvals must be submitted to the state water control at the stage of investment preparation. In the case of water utilization, buildings or structures not requiring investments, the permits or approvals must be applied for no later than 6 months before use begins. Permits or approvals may be issued even without application.

(2) The state water control must inform the state organs, enterprises and citizens concerned of the permit or approval applied for. If it is not possible to trace all interested parties, the application for permit or approval must be published locally consonant with local customs and, if required, discussed with the interested parties at a local hearing.

(3) Objections to a permit or approval applied for must be raised at the local hearing or within 6 weeks from publication; they must be explained. The state water control decides about the objections before issuing the permit or approval.

Article 22

Water uses subject to the issue of permits are, in particular:

- a) The removal of water from surface waters or from ground water for the purpose of
 - Water supplies for residential buildings and districts by public or mutual waterworks as well as individual supply facilities,
 - Enterprise water supplies,
 - Energy production by heat pumps,

- Irrigation of agricultural or forestry or horticultural land,
- Lowering of the ground water level, especially by mining operations and measures;
- b) Water and sewage discharges into surface waters or ground water from
 - Enterprises,
 - Public or mutual sewage treatment plants for residential districts,
 - Residential buildings,
 - Heat pumps,
 - The lowering of the ground water level;
- c) Measures affecting water quality by
 - Utilization as intensive waters with additional feeding, excluding the use of drainable fish ponds for the purposes of the inland fishing industry,
 - Water fowl breeding;
- d) Raising or lowering the water level by
 - Keeping back water in surface waters or ground water,
 - Land improvement, excepting the temporary diversion of rainwater or accumulated moisture from agricultural and forestry land,
 - Water retentions.

Article 23

- (1) The application for the issue of a permit must include the data listed in article 19 paragraph 2. The state water control may request additional data.
- (2) If the use of waters involves the construction of buildings and structures at waterways as per article 6 paragraph 1 of the water law, the approval of the GDR waterways inspectorate or the GDR shipping office is to be obtained by the state water control.

Article 24

- (1) The permit records
 - a) The users of the waters,
 - b) The geographical location of the use,
 - c) The kind and purpose of the use,

- d) The extent of water use, such as maximum volumes of withdrawal, discharge and loss, the upper and lower limit of damming or release,
 - e) Terms and instructions, possibly time limits.
- (2) Terms and instructions may involve, in particular
- a) Measures of rational water use, such as the application of water need standards and the provision of enterprise water circulation,
 - b) The kind of sewage treatment and byproduct recovery,
 - c) Limits for the components of sewage,
 - d) The prevention of adverse effects,
 - e) The construction, operation and maintenance of water management installations,
 - f) Time limits for taking the installations into service,
 - g) Obligations to check the observance of limits and instructions and of the operation of measuring instruments,
 - h) Regulations of the periodic release from reservoirs,
 - i) Obligations regarding the construction, operation and maintenance of mutual installations,
 - j) Obligations regarding the notification of the completion of installations to be conveyed to the state water control.

Article 25

- (1) The application for the issue of an approval must include:
- a) Survey or layout plan coupled with information about the local siting of structural installations,
 - b) If flowing waters cross traffic, supply and information facilities, section and cross section of the waters in the bordering area,
 - c) Data on possible effects of the structural installations, for example hydraulic computations.

The state water control may request additional data.

(2) In the case of waters as per article 6 paragraph 1 of the water law the application must be submitted to the GDR waterways inspectorate or the GDR shipping office.

(3) No approval is needed if a decision on buildings and building installations is issued in connection with the use of water.

Article 26

(1) The approval lists:

- a) Legal representatives or owners,
- b) The geographical location of the building structures and installations,
- c) Terms and instructions, possibly time limits. With respect to terms and instructions article 24 paragraph 2 letters d, e, f, h, i and j apply mutatis mutandi. Instructions may extend to the maintenance of the building structure and installations.

(2) The approval is a part of the documentation accompanying an application for the issue of a decision by the state construction control for the construction, alteration or removal of building structures and installations.

To Article 18 of the Water Law:

Article 27

(1) Articles 21 and 23-26 apply mutatis mutandi for the amendment and cancellation of permits and approvals.

(2) A decision on cancellation must include instructions for the removal of the building structures or installations, the creation of an orderly situation or the future maintenance of the building structures or installations. To be obligated to ensure maintenance may be the party responsible for the upkeep of the waters or the party in whose interest these building structures or installations must be retained. The respective party must be issued a permit or approval.

(3) Information about a change in legal representatives or owners as per article 18 paragraph 3 of the water law must be promptly conveyed to the state water control at the water management directorate by the new legal representatives or owners.

To Article 21 of the Water Law

Article 28

Enterprises are obligated to appropriately pre-treat before discharge in public sewage facilities any sewage likely to endanger the life and health of citizens, damage or disrupt the operation of sewage works.

To Article 24 of the Water Law:

Article 29

Residential garbage and wastes may not be discharged into waters. Anyone causing obstructions to water flow or shipping may be obligated to remove such obstructions by instructions issued by the state water control at the water management directorates, the GDR waterways inspectorate or the GDR shipping office.

Article 30

Enterprises must immediately notify the state water control, public utility, kreis council and state hygiene inspectorate of any accidents and breakdowns in their sphere of responsibility, likely to damage waters or public waterworks or sewage works. Citizens must notify an organ or water supply enterprise, a German People's Police precinct or local council of any observations regarding the above.

To Article 25 of the Water Law

Article 31

(1) Water pollutants in the meaning of the provisions of the water law are solid, liquid or gaseous substances or their combinations, that might endanger or adversely affect waters or their use.³ These include toxins² and the substances listed in the register of pollutants.

(2) Handling of water pollutants in the meaning of the provisions of the water law is exploration, extraction, processing, manufacture, stockpiling, storage, use, turning out, transshipment, transportation and removal of water pollutants and the materials used to package them.

(3) Water pollutant accidents in the meaning of the provisions of the water law are occurrences in the course of which water pollutants may enter waters or public sewage plants and may, therefore, result in hazards to the health and life of citizens, damage to the potable and industrial water supply, to flora and fauna or in other economic damage.

Article 32

State organs and enterprises must

- a) Regularly check installations for handling water pollutants with regard to their orderly use, operability and operational safety;
- b) For the prevention of and to cope with accidents involving water pollutants and their consequences, draw up deployment documents and submit them to the state water control at the water management directorate;
- c) As per plan make available and constantly keep ready for use special devices and means as well as create the prerequisites for the prompt deployment of manpower for fighting accidents involving water pollutants, and also regularly organize safety training. Records of such training must be kept;
- d) Regularly instruct working people handling water pollutants about the orderly handling of water pollutants and their effects on waters. Records of such instruction must be kept;
- e) Adopt all measures necessary to prevent and promptly counteract any accident involving water pollutants as well as remove any consequences arising therefrom.

Article 33

In their sphere of responsibility central state organs, combines and economy managing organs must provide the scientific-technological preparation for safely handling water pollutants and coping with accidents involving water pollutants, and also provide the standards required.

Article 34

- (1) Design and development institutions, manufacturers and suppliers of plant, devices and means for handling water pollutants as well as of processes using or generating water pollutants must bring evidence that the legal requirements for protection against water pollutants are observed.
- (2) Instructions for operation, procedures in the case of accidents and breakdowns and information about the utilization or harmless removal of water pollutants and the materials used for packaging them must be handed over upon the delivery of plant, devices and means as per paragraph 1.
- (3) Manufacturers and suppliers of water pollutants must provide data on the harmfulness of the substances and on harmless handling; this information must be given in instructions to users and printed on the packaging.

Article 35

- (1) Accidents involving water pollutants must be dealt with by the consumer. If the author is unable to deal with the accident involving water pollutants, it must be dealt with at the expense of the author in order to remove hazards or prevent further damage. This must be done, where necessary in coordination with the local councils, by
 - a) The organs or enterprises of the Ministry for Environmental Protection and Water Management in waters, unless otherwise prescribed in letter b or other legal regulations, and in public waterworks and sewage plants,
 - b) The organs and enterprises of the Ministry for Transportation on motorways, the land belonging to the GDR Railroad, on waterways as per article 6 paragraph 1 of the water law, in harbors and roadsteads,
 - c) Locally managed enterprises and facilities of the road system on the roads in their competence,
- (2) The fire services will carry out operational emergency measures in their respective area to prevent and remove common dangers.
- (3) The parties listed in paragraph 1 must set up bases in order to improve readiness for dealing with accidents involving water pollutants, emplace the necessary equipment and means, and train personnel. The bezirk councils must coordinate the establishment of such bases.

Article 36

When accidents involving water pollutants have to be dealt with, the state water control, the state hygiene inspectorate and the departments for geology at the bezirk councils must give technical advice to the parties responsible.

To Article 26 of the Water Law:

Article 37

(1) To be reported are

-- The storage of the following water pollutants if the quantity exceeds

100 kg or 100 l	for section 1 toxins ⁴
1,000 kg or 1,000 l	for section 2 toxins ⁴
1,000 kg or 1,000 l	for mineral oils and their products;

-- The construction of pipelines for the transportation of water pollutants.

(2) The report must include the description of the water pollutant, its volume, the location and type of storage. The report must be accompanied by evidence showing that the legal obligations for the harmless handling of water pollutants are being observed. The state water control may request additional data.

(3) Reports must be submitted no later than the stage of investment preparation, in all other cases 8 weeks before the beginning of storage. If the report shows that no instructions are required, the informant must be so advised.

(4) The repeated storage of water pollutants of the same kind and in the same storage place does not need to be reported if the volumes earlier reported are not exceeded. The storage of water pollutants does not require a report if it was approved as per earlier provisions of the water law.

To Article 27 of the Water Law:

Article 38

(1) Limits for the components of sewage are fixed according to concentration and load factor.

(2) If the user of the waters has no sewage treatment plant or if such plant is inadequate, temporary limits consonant with the givens are set so as to exclude hazards to the life and health of citizens, prevent major economic damage, counteract another increase in the load of sewage and optimally use sewage treatment capacities. They must aim at the gradual lowering of the sewage load and must be coupled with set dates for the implementation of the measures required. The temporary limits must be reassessed each year in connection with the requirements on

water availability in the catchment area and the necessary measures restated at the stage of plan drafting and confirmation.

(3) Limits may be temporarily amended or issued for the period of planned repairs to installations affecting the quality of sewage. Applications must be submitted no later than 8 weeks before the beginning of such repair work.

(4) Limits may be amended if the social demand on the usefulness of waters or the scientific-technological or economic conditions vital for the establishment of limits have been changed.

To Article 28 of the Water Law

Article 39

(1) Measures subject to obligatory reporting are:

-- The construction, alteration or shut-down of industrial removal plants,

-- Drillings and the earth removal involved.

(2) Article 37 paragraphs 2 and 3 apply mutatis mutandi to these reports.

To Article 31 of the Water Law:

Article 40

(1) Upkeep includes measures for the preservation or restoration of the operability of waters, especially the assurance of regulated and harmless drainage.

(2) In the case of waterways, upkeep also includes the maintenance of navigability. The maintenance of navigability refers only to the maintenance of the channel serving shipping and to safety markers.

(3) Also included in upkeep is the control of pests damaging the riverbed and the installations pertaining thereto. The water management directorates must control musk rats in all waters.

(4) The dredging of waters includes alterations to water exceeding upkeep, the construction of new waters including the construction of water management installations pertaining thereto.

(5) In the course of upkeep and dredging of waters, such constructions are generally to be used as fit with the surrounding scenery and follow engineering-biological principles, taking into account hydraulic measuring and load criteria.

To Article 32 of the Water Law

Article 41

(1) The Ministry for Environmental Protection and Water Management in coordination with the bezirk councils must record in a register all waters to be maintained and dredged by water management directorates.

(2) Waterways, old arms and diversion channels to be kept up and dredged by the GDR waterways inspectorate or the GDR shipping office are to be recorded in a register detailed by kilometer markings at the Ministry for Transportation in coordination with the Ministry for Environmental Protection and Water Management. This is done in supplementation of the appendix to the water law.

(3) Kreis councils, departments agriculture and foodstuffs industry, in coordination with the water management directorates, will keep a register of waters to be maintained and dredged by the kreis councils.

Article 42

The legal representative or owner of bridges, culverts, superstructures and casings must keep them free of flotsam and ice obstructing the water flow; the users of the waters are responsible for doing this work in the case of reservoirs.

Article 43

Before a decision as per article 32 paragraph 4 of the water law, the state water control must grant a hearing to the kreis council and interested parties.

To Article 33 Paragraph 1 of the Water Law:

Article 44

Authorization includes

- a) Personnel and authorized agents of the party responsible for upkeep entering bordering land on foot or by vehicle,
- b) The scarping, felling, reinforcement and planting on banks and changes in the riverbed needed to safeguard unobstructed water flow,
- c) The transportation and removal as well as temporary storage of building materials and equipment,
- d) The temporary deposit of excavated materials and the leveling of excavated materials not damaging to growth, if the use of the land permits,
- e) The removal of islands and alluvial land, the blocking off of bank demolitions and the removal of materials from the riverbed for the purposes of maintenance,
- f) The setting of water depth gauges, shipping markers, bench marks and other markers,
- g) The temporary alteration of the water level.

Article 45

(1) Borderers of waters may, in agreement with the party responsible for upkeep, carry out work to make the bank safe.

(2) The removal of sand, gravel or other materials from waters requires the approval of the party responsible for upkeep.

Article 46

Borderers of waters must, in particular,

- a) Keep the bordering land free of trees, shrubs, fences and other objects insofar as this is required for unobstructed upkeep and bankfull runoff, and flood control regulations do not include further provisions,
- b) Carry out the work required at the edge of the bank so as to prevent crumbling,
- c) Level the cultivable excavated material deposited on bordering land in the course of weeding and earth removal.

Article 47

- (1) Upkeep and dredging measures must be discussed with the borderers and users of the waters. Possible adverse effects must be reported at that time.
- (2) The beginning and duration of repair and dredging operations must be reported to the parties affected early enough to allow them to carry out measures for preventing or minimizing economic disadvantages.

Article 48

Insofar as this is required to protect the riverbed and the bank, borderers of waters must construct and maintain the appropriate facilities such as cattle fences, cattle troughs, fords, footbridges and steps.

To Article 34 of the Water Law:

Article 49

- (1) Included among preventive measures are, especially, the care of woods and copses, the agricultural use and management of the land appropriate to the location, the afforestation of land threatened by erosion, the upkeep and dredging of surface waters, the construction, operation and maintenance of laying-up basins, barrages and reservoirs, diversion channels, flood polders and dikes.
- (2) Enterprises are obligated to adopt the measures necessary to protect their plants against floods and other water damage in order to avoid disruptions of output and damage.

To Article 35 of the Water Law

Article 50

The social flood control and coast defense includes the construction, upkeep and operation of barrages, reservoirs, laying-up basins, dikes and other flood control

installations as required for the comprehensive protection of the lives and personal property of citizens, socialist property, social production and cultural heritage appropriate to the frequency of flooding and the extent of the danger.

Article 51

(1) The construction, alteration or removal of flood control and coast defense installations require the approval of the state water control at the water management directorates. Article 17 paragraph 3 of the water law as well as articles 21 paragraph 1, 25 paragraph 1 and 26 of this implementing decree apply *mutatis mutandi*.

(2) Article 44 letters a-c and g and article 47 apply *mutatis mutandi* to the construction, operation and upkeep of flood control installations.

Article 52

(1) Forbidden on dikes and the protective strips on either side of them are

- Any planting of trees and shrubs,
- Removal of the top soil,
- The construction of structures and fences,
- The setting of masts, border markers and other markers,
- Poultry keeping,
- Any pasturing of cattle with the exception of sheep.

Unavoidable exceptions, such as ditch digging and other digging in the proximity of dikes, the erection of crossing structures and dike ramps, the construction of flyovers and line laying, require the consent of the state water control at the water management directorate. Article 17 paragraph 3 of the water law applies *mutatis mutandi*.

(2) The storage of materials and objects on or at the dike proper is forbidden unless they are required for maintenance measures.

(3) Walking, driving, riding and cattle driving on dikes are forbidden. Exceptions are admissible only where the dike is built up as a public path.

(4) Flyovers and undercrossings of dikes must be appropriately reinforced by the party responsible for the upkeep of the access roads and must be maintained in this condition. High-exposure points must be reinforced and equipped with removable protective barriers.

(5) The topsoil of dikes must be regularly cultivated by the party responsible for upkeep.

(6) Paragraphs 1-5 apply *mutatis mutandi* to coast defense installations, especially dunes and sea dikes.

To Article 36 of the Water Law

Article 53

(1) Forbidden in areas subject to flooding are

- The storage of water pollutants and substances liable to be rinsed away,
- The cultivation of special farm crops,
- The construction of silos, stationary milking facilities and storage halls.

(2) Additionally forbidden in those parts of areas subject to flooding that may be traversed by floods (flood water drainage areas) are

- The construction and alteration of structures and buildings unless they serve flood control or shipping,
- The plowing of meadows and the cultivation of farm crops,
- Line laying and road construction,
- The erection of fences,
- The construction of tent and trailer camps,
- Changes of the earth surface such as permanent excavations or fills,
- The storage of materials and objects of any kind,
- The emplacement of stationery equipment.

(3) Unavoidable exceptions for the alteration or removal of structures, line and road laying, the construction of mobile fencing, the temporary deposit of materials likely to be rinsed away and the temporary emplacement of stationary equipment require the approval of the state water control at the water management directorate.

(4) Permitted in flood areas outside of flood water drainage areas are

- The construction of tent camps,
- Changes in the earth surface such as permanent excavations or fills,
- The plowing of meadows and the cultivation of farm crops

if the state water control at the water management directorate gives its approval.

Article 17 paragraph 3 of the water law applies mutatis mutandi to such approval.

To Article 37 of the Water Law

Article 54

(1) To be incorporated in the coast defense area is a 200 meter wide strip at the outside coast, a 100 meter wide strip at the Bodden coast.

(2) The strip of the coast defense area begins

- At the outside coast in the case of bluffs and steep banks at the upper edge of the cliff and in the case of a flat coast line at the medium water line.
- At the Bodden coast including the Haff and Sund coast at the medium water line.

If flat coast lines are protected by sea dikes against storm floods, the strip extends inland to the inland tow of the dike or dike protection strip.

Article 55

(1) Banned in coast defense areas are the construction and alteration of structures and buildings unless they serve the defense of the coast.

(2) In coast defense areas

- Land improvement works,
- Forestry management measures,
- Changes in the earth surface such as permanent excavations or fills,
- The setting of water depth gauges, shipping markers, bench marks and other markers

require the approval of the state water control at the water management directorate.

(3) Unavoidable exceptions for the construction, alteration or removal of structures and buildings for economic purposes require the approval of the state water control at the water management directorate.

(4) Article 17 paragraph 3 of the water law applies *mutatis mutandi* for such approvals.

Article 56

Among the measures against washing out effects are the orderly cultivation and regular utilization of the land as well as the implementation of agrotechnical measures for erosion control.

To Article 45 of the Water Law:

Article 57

(1) Decisions by the state water control as per articles 18 paragraph 1, 21 paragraph 3, 38 paragraph 3, 51 paragraph 1, 53 paragraphs 3 and 4 and 55 paragraphs 2 and 3 must be given in writing and include information concerning the right to appeal. They must be handed or mailed to the party concerned.

(2) Article 45 paragraphs 2-6 of the water law apply to appeals.

Article 58

This implementing decree takes effect on 1 October 1982.

FOOTNOTES

1. In effect at this time for common investments is the directive of 26 September 1972 on common investments (GBI II No 59 p 642).

2. In effect at this time is the second implementing order of 13 February 1980 to the toxin law--registry of classified toxins--(GB1 I No 9 p 73).
3. In effect at this time is the order of 20 February 1981 on the effective date of the list of pollutants (special issue No 1059 of the GESETZBLATT).
4. See footnote 2.

Second Implementing Decree

East Berlin GESETZBLATT DER DEUTSCHEN DEMOKRATISCHEN REPUBLIK in German Part I
No 26, 21 Jul 82 pp 485-487

/Official text of "Second Implementing Decree of 2 July 1982 to the Water Law--Waste Water Fines and Water Usage Fees," signed by Werner Krolikowski, first deputy chairman, GDR Council of Ministers, and Dr Hans Reichelt, minister for environmental protection and water management/

/Text/ In accordance with article 47 paragraph 1 of the water law of 2 July 1982 (GB1 I No 46 p 467), the following is decreed:

Waste Water Fines

Article 1

(1) In the case of violations of article 17 paragraph 1 of the water law and the excess of limits as per article 27 paragraph 3 of the water law, the state water control at the water management directorate will impose waste water fines on the user of the waters. In the case of violations of article 24 of the water law, the state water control will impose waste water fines on the violator. Such fines will be imposed for every violation. Claims for compensation are not affected by waste water fines.

(2) If a plant is used in common, waste water fines will be collected by the legal representative or owner of the plant. The legal representative or owner is authorized to continue collecting waste water fines from the co-user if the latter caused the violation.

(3) Waste water fines may not be planned or calculated and must be included in factory costs.

(4) No waste water fines are imposed on citizens.

Article 2

(1) Waste water fines are imposed for the inadmissible waste water load and, on principle, for at least 1 day or for the volume of pollutants unlawfully discharged into the waters.

(2) Waste water fines are to be computed on the basis of the index table (appendix). It is not permissible to attach a double value to a component substance.

(3) If the state water control notes violations or excesses of limits listed in article 1 paragraph 1, the author must be promptly informed.

(4) The water user may apply to the state water control at the water management directorate for a check of the observance of legal regulations and limits. This check must be carried out within 2 weeks. If the check confirms the observance of legal regulations and limits, the payments may be omitted from the date of the application.

(5) Waste water fines may be doubled if the obligation to notify as per article 30 of the first implementing decree of 2 July 1982 to the water law (GBI I No 26 p 477) is violated and, as a result, greater damage occurs or the investigation is hampered.

Article 3

If the author is able to prove that the legal violations listed in article 1 paragraph 1 could not be avoided despite utilization of all opportunities offered by socialist production conditions, he will be dispensed from payment of waste water fines following the approval of the bezirk council.

Water Usage Fees

Article 4

(1) Water usage fees must be paid for the use of waters by water withdrawal that is subject to a permit as per article 17 paragraph 1 of the water law. Computation of the water usage fee follows legal regulations.¹

(2) In the case of unauthorized water withdrawal, the excess of the permitted volume of withdrawal or loss, a penalty in the amount of 50 percent of the water usage fee is imposed for the unauthorized volume by assessment notice issued by the state water control. The penalty may not be planned or calculated and must be included in prime costs.

(3) The payment of the water usage fee does not establish a claim to the permitted volume or specific quality of the water withdrawn.

Article 5

(1) Water users must measure the volume of water withdrawn and the volume of waste water discharged, compute water losses and record the results in a manner allowing for checks. If, in exceptional and justified instances, the water user is not yet able to carry out the necessary measurements, the volumes are ascertained on the basis of technical documentations.

(2) The water user's notes are the basis of calculation of the water usage fee. They must be submitted at the request of the state water control at the water management directorate that is authorized to inspect the water user's data for up to 2 years retrospectively.

(3) The water user must himself calculate the water usage fee to be paid. No later than 31 January of any calendar year, and without being requested to do so, the water user must submit a statement² in duplicate to the state water control at the water management directorate. The basis of computation is the volume withdrawn in the previous calendar year.

(4) The water usage fee is to be paid by 31 March of the current calendar year. If the water usage fee for a water user exceeds M50,000 per annum, he must--in his statement--fix quarterly instalment payments. Such payments are due on the 15th day of the second month of the quarter.

(5) Is the statement by a water user wrong or no statement is submitted, the amount to be paid will be fixed by notice of assessment, issued by the state water control at the water management directorate. The provision of paragraph 4 on instalment payments is to be applied.

(6) The duty to pay the water usage fee ends upon cancellation of the permit for water withdrawal as per article 18 of the water law.

Maturity, Enforcement, Statute of Limitation

Article 6

(1) Waste water fines, water usage fees and penalties as per article 4 paragraph 2 represent financial obligations vis-a-vis the state budget.

(2) The amount fixed in a notice of assessment as per article 1 paragraph 2, article 4 paragraph 2 or article 5 paragraph 5 must be paid within 4 weeks from receipt of the assessment notice or final decision of an appeal. In the case of default the legal regulations³ on surcharges on payments to the state budget must be applied mutatis mutandi.

Article 7

Waste water fines, water usage fees and penalties as per article 4 paragraph 2 are enforceable. The enforcement on debtors in the sphere of the socialist economy is to be carried out upon request by the water management directorate by debiting the account of the debtor. Enforcement on debtors outside the sphere of the socialist economy follows the legal regulations in force for such cases.⁴

Article 8

Claims to waste water fines, water usage fees and penalties as per article 4 paragraph 2 are limited to 1 year. The statute of limitation begins to operate on the first day of the month following the day the statement was received by the state water control at the water management directorate or the assessment notice issued.

Article 9--Appeal Regulations

(1) Assessment notices as per article 1 paragraph 1, article 4 paragraph 2 and article 5 paragraph 5 must be given in writing and include information concerning the right to appeal. They must be handed or mailed to the party concerned.

(2) Appeals may be submitted against the assessment notices listed in paragraph 1. The appeal has suspensory effect. The appeals procedure is governed by article 45 paragraphs 2, 3, 5 and 6 of the water law.

Concluding Regulations

Article 10

Special regulations apply to the payment of waste water fines and water usage fees in the sphere of the Ministry for National Defense.

Article 11

This implementing decree takes effect on 1 October 1982.

FOOTNOTES

1. In effect at this time is order No Pr 344 of 8 May 1980 on water usage fees for surface and ground water (special issue No 1052 of the GESETZBLATT).
2. Forms are to be requested from the appropriate model form printing house.
3. In effect at this time is the decree of 19 January 1961 on the collection of surcharges and interest charges on deferred payments of taxes, excise duties, contributions to compulsory social insurance and other payments--surcharge decree--(GB1 II No 9 p 39).
4. In effect at this time is the decree of 6 December 1968 on the enforcement of money claims by state organs and state institutions (GB1 II 1969 No 6 p 61).

Appendix to Article 2 Paragraph 2 of the Preceding Implementing Decree

Index Table for Waste Water Fines

Valuation Criteria	Waste Water Fine
1. Substances suitable for filtration	M0.30 per kg
2. a) BSB ₅	M0.75 per kg O ₂
b) CSV _{Cr}	M0.75 per kg O ₂
c) CSV _{Mn}	M0.75 per kg O ₂
3. Total salt excluding salt causing hardness	M0.03 per kg
4. Salt causing hardness calculated as CaO	M0.09 per kg
5. Acid consumption	M60.00 per Kval
6. Base consumption	M6.00 per Kval

7. Iron	M6.80	per kg Fe
8. Heavy metals excluding irons and toxins	M13.60	per kg
9. Oil, fat and materials suitable for extraction	M5.00	per kg
10. Upon conducting/introducing oil, fat and materials suitable for extraction into GDR territorial and inland sea waters	M50.00	per kg
11. Nitrogen	M5.00	per kg N
12. Phosphorus	M13.50	per kg P
13. Toxins and other water pollutants	M150.00	per kg cyanide equivalent ¹
14. Temperature	M0.001	per cubic meter and degree centigrade
15. Waste products (such as ashes, garbage, building debris)	M200.00	per cubic meter
16. Agricultural waste products (solid and liquid manure)	M100.00	per cubic meter

1.

1 kg cyanide equivalent is the volume of a toxin or other water pollutant exercising the same toxic effect on test organism as 1 kg cyanide. The ascertaining of the cyanide equivalent proceeds on the basis of the water pollutant catalogue issued by the Institute for Water Management.

Third Implementing Decree

East Berlin GESETZBLATT DER DEUTSCHEN DEMOKRATISCHEN REPUBLIK in German Part I
No 26, 21 Jul 82 pp 487-490

/Official text of "Third Implementing Decree of 2 July 1982 to the Water Law--Protected Areas and Reserved Areas," signed by Werner Krolikowski, first deputy chairman, GDR Council of Ministers, and Dr Hans Reichelt, minister for environmental protection and water management/

/Text/ The following is decreed in accordance with article 47 paragraph 1 of the water law of 2 July 1982 (GB1 I No 26 p 467):

Article 1--Responsibility for Preparation

(1) The bezirk councils are responsible for the preparation of decisions on areas as per articles 36, 37 and 39 of the water law.

(2) The kreis councils are responsible for the preparation of decisions on areas as per article 29 paragraph 2 and article 33 paragraph 2 of the water law. If an area extends across the territories of several kreises, the kreis councils concerned must coordinate the preparation. If the area is important for the bezirk, the bezirk council is responsible for the preparation of the decision.

Article 2--Applications

- (1) Applications for decisions must be submitted to the technical organ for environmental protection and water management at the bezirk or kreis council.
- (2) Applicants must ensure the acquisition and production of all documents required for the decision.

Article 3--Process of Preparation

The technical organ for environmental protection and water management at the local council must report the application to the state organs, enterprises and citizens concerned and, if necessary, discuss it with them as well as request the opinion of the appropriate bezirk recruiting and induction headquarters. The applicant is obligated to cooperate in explanations and discussions.

Article 4--Decisionmaking

- (1) The decision on the definition of an area as per article 1 must include:
 - The designation of the area,
 - The location, subdivision and size of the area including the pertinent maps,
 - Use restrictions and bans, in the case of potable water reserve areas and water management reserve areas the beginning date of the various use restrictions and bans.
- (2) The bezirk or kreis council will decide the assignments required to enforce the use restrictions and bans by way of a plan of operations.

Article 5--Publication

- (1) The bezirk or kreis council must publish the essential features of the decision on the designation of an area as per article 1.
- (2) The bezirk or kreis council must forward one copy each of the decision, including the pertinent maps, to the local councils. Upon evidence of justified interest, local councils may allow inspection of these documents.
- (3) The bezirk or kreis council must forward copies of the decision, including the pertinent maps, to the office for regional planning, the real property service, the kreis and bezirk planning commission, the department agriculture and forestry, the department geology, the state water control, the state hygiene inspectorate and the applicant.
- (4) The bezirk or kreis council must forward extracts from the plan of operations to the party concerned.

Article 6--Supervision

The observance of the decisions must be supervised by the local councils, the state water control and the state hygiene inspectorate within the framework of their responsibility.

Potable Water Protected Areas

Article 7

Potable water protected areas must always be subdivided into the holding zone, the narrower protected zone and wider protected zones.

Article 8

(1) The following bans are in effect in potable water protected areas:

a) In the holding zone

- The handling of water pollutants and radioactive materials,
- Fertilization by liquid manure and sewage,
- The introduction or throughput of sewage,
- Dumps,
- Burials,
- The construction of above and below ground buildings,
- Road building, drillings and permanent excavations unless they serve the potable water supply,
- Livestock farming, crop cultivation, large silos and underground silos,
- Tent camps,
- Bathing,
- Boating and shipping with the exception of service vessels belonging to state organs;

b) In the narrower protected zone

- The handling of radioactive materials,
- The introduction of sewage and water pollutants,
- The construction of above and below ground buildings,
- Dumps,
- Burials,
- Permanent excavations,

- Underground silos and livestock farming facilities with large concentrations of livestock,
 - Tent camps;
- c) In the wider protected zones
- The handling of radioactive materials,
 - The introduction and sinking of sewage and water pollutants.
- (2) Additional bans may be decided on the basis of standards.¹
- (3) Unavoidable exceptions to bans require the decision by the kreis or bezirk council after comments from the protected zone commission--unless they arise from standards.

Article 9

- (1) Use restrictions must be decided on the basis of standards. Only the use restrictions needed to protect potable water are to be established and farm production as well as other types of use taking into account.
- (2) If use restrictions do not permit farming use in the holding zone, use for forestry purposes is to be aimed for. If neither farming nor forestry use is possible in the holding zone, the legal entity of the water extraction facility must purchase these areas.

Article 10

- (1) Applications for the designation of potable water protected areas must be submitted by the legal entity or the investment principal of the water extraction plant. The necessary documents are listed in appendix 1. The application must be submitted early enough for the decision to be made no later than the preparation of the decision in principle.
- (2) The appropriate organs, enterprises and facilities must forward to the legal entity or investment principal the expert opinions, comments and data required as per appendix 1 within 6 weeks from the request by the local councils.

Article 11

- (1) Kreis and bezirk councils set up protected zone commissions for the preparation and supervision of the observance of decisions. The management of the protected zone commission is the function of the kreis or bezirk council member competent for environmental protection and water management.
- (2) The members of the protected zone commission are appointed by the council member competent for environmental protection and water management in coordination with the managers of the technical organs of kreis and bezirk councils and the managers of enterprises and facilities. To be preferentially appointed members of

the protected zone commissions are representatives of the following technical organs of kreis and bezirk councils and the following enterprises and institutions:

- State hygiene inspectorate
- Technical organ for geology
- Technical organ for finances and prices,
- Technical organ for agriculture and forestry,
- The person authorized to handle nature conservancy,
- The office for regional planning,
- State forestry enterprises,
- State water control,
- VEB Waterworks and Sewage Treatment.

Depending on requirements, representatives of additional enterprises with water extraction plant may also be appointed.

(3) Legal entities or investment principals of the water extraction plant are to be consulted when their applications are considered.

(4) The members of the protected zone commission collaborate in the discussions of the protected area proposal and in the explanation of the intended measures as well as in checks on their enforcement.

Article 12

(1) In the case of use restrictions on agricultural land in potable water protected areas, the economic disadvantages arising must be compensated on the basis of the land use decree.²

(2) No compensation is paid for restrictions on use in potable water protected areas established in accordance with earlier water legislation or observed in the cultivation of the land.

(3) If a potable water protected area is decided on for existing potable water extracting plants, compensation is to be paid by kreis or bezirk councils. The money required must be earmarked in the budget plans.

Potable Water Reserved Areas

Article 13

(1) The following bans apply in potable water reserved areas:

- The installation and extension of dumps,
- Burials,
- Permanent excavations,
- The construction of new tank storages for water pollutants,
- The sinking of sewage and water pollutants.

(2) Article 8 paragraphs 2 and 3 and article 9 paragraph 1 apply.

Article 14

(1) Water management directorates must apply for the designation of potable water reserve areas upon conclusion of hydrogeological investigations. Potable water reserve areas must be designated for long periods and generally at the time of the preparation of water management development conceptions as well as conceptions on the development of complex housing construction and energy management. The necessary documents are listed in appendix 2.

(2) Article 11 applies.

Article 15--Flood Areas, Coast Defense Areas, Bank Strips and Dike Protection Strips

Applications for the designation of flood areas and coast defense areas must be submitted by the appropriate water management directorates. To be taken into account in this context are the frequency of flooding and the extent of the danger. Applications for the designation of bank strips and dike protection strips must be submitted by the parties obligated to keep up the waters or dikes. The necessary documents are listed in appendix 3.

Article 16--Water Management Reserved Areas

(1) Applications for the designation of water management reserved areas must be submitted by water management directorates, with respect to water pipelines by the public utilities.

Article 17--Taking Effect

This implementing decree takes effect on 1 October 1982.

FOOTNOTES

1. In effect at this time is GDR standard TGL / GDR norm 724348/01-03, potable water protected areas.
2. In effect at this time is the decree of 26 February 1981 on the protection of agricultural and forestry land and on the assurance of socialist land use--land use decree--(GB1 I No 10 p 105).

Appendix 1 to Article 10 of the Preceding Implementing Decree

Section I--General Documents

The following general documents are required for the designation of a potable water protected area:

- 1.1 Description of the potable water extraction plant
- 1.2 Size of the supply area as well as present and future importance
- 1.3 Hydrogeological expert opinion as well as claims and proposals for the potable water protected area arising from hydrogeological exploration
- 1.4 Use permit for the withdrawal of water
- 1.5 Data on existing industrial, agricultural and forestry as well as mining use, traffic conditions, the type of settlement, recreational use, location of incidence and dumps of waste products in the catchment area, planned use such as railroad tracks, site developments, buildings
- 1.6 Intended division and demarcation of the protected zones and the reasons for the demarcations
- 1.7 Comments by the state water control, taking into account the documents listed in Nos.1.1-1.6
- 1.8 Comments by the state hygiene inspectorate, taking into account the documents listed in Nos 1.1-1.7
- 1.9 Ownership and usage situation with regard to the real property in the holding zone
- 1.10 Exposition of the injuries and claims for compensation to be expected to arise from the protected area proposal with respect to content and extent
- 1.11 Documents of the agricultural and forestry enterprises on the measures to be carried out and the compensation for economic hardship as per the land use decree
- 1.12 Application for approval consonant with the land use decree
- 1.13 Exposition of the consequent investments required on the basis of the protected area proposal
- 1.14 Maps
 - Topographical map 1 : 25 000
 - Map to 1 : 5 000showing the location of the holding plants and the intended division and demarcation of the protected zones consonant with ground water dynamism and the geological conditions

- Sections giving the water levels as well as the heights of structures and terrain in the extraction plant.

The kreis or bezirk council may request additional documents or data.

Section II--Additional Documents for Potable Water Protected Areas for Ground Water

In addition to the documents as per section I the following are required for the designation of a potable water protected area for the withdrawal from ground water (including bank filtrate):

- 2.1 Method of extraction
- 2.2 Capacity of the plant and extraction volume in cubic meters per annum, cubic meters per day, cubic meters per hour
- 2.3 Numbers, types, depths, improvements, still water level, lowered water level of wells, isohypse plan, quantities extracted from individual wells and the distances of wells from each other
- 2.4 Extreme yield values for well ascertainment
- 2.5 Ground water observation posts and their data of measurement available in the catchment area
- 2.6 Raw water analyses with evaluation by the state hygiene inspectorate
- 2.7 Processing method.

Section III--Additional Documents for Potable Water Protected Areas for Surface Water

In addition to the documents listed in section I, the following are required for the designation of a potable water protected area for the extraction from surface water:

- 3.1 Type of the extraction structure
- 3.2 Capacity of the plant and extraction volume in cubic meters per annum, cubic meters per day, cubic meters per hour
- 3.3 Hydrological and hydrographic data
- 3.4 Hydrochemical data
- 3.5 Hydrobiological data
- 3.6 Management plan for barrages
- 3.7 Raw water analyses and evaluation by the state hygiene inspectorate

3.8 Processing method

3.9 Study of the regional classification of the potable water protected area

Appendix 2 to Article 14 of the Preceding Implementing Decree

The following documents, in particular, are required for the designation of a potable water reserve area:

1. Designation of the potable water reserve area
2. Size and demarcation of the potable water reserve with maps
3. Description of hydrological, geological and hydrographical conditions
4. Explanation
5. Data on the current use of the area
6. Proposals for bans, restrictions on use and instructions

The kreis or bezirk council may request additional documents or data.

Appendix 3 to Article 15 of the Preceding Implementing Decree

The following documents, in particular, are required for the designation of flood areas, coast defense areas, bank strips and dike protection strips:

1. Designation of the waters, water section or dike
2. Size, demarcation and intended subdivision of the flood areas, such as flood drainage areas, areas for HQ_2 , HQ_{10} and HHQ, coast defense areas and dike protection strips or bank strips
3. Maps
 - Topographical map 1 : 25 000 to 1 : 10 000
 - Maps 1 : 5 000, especially in the sphere of settlement areas
4. Explanation with brief description of the effects of floods or storm floods or the demarcation intended for dike protection strips or bank strips
5. Data on current and planned uses in the areas or strips intended for designation
6. Ownership and usage conditions of the land
7. Proposal for bans, restrictions on use and instructions

8. Subject and extent of the injuries and claims for compensation to be expected
9. Documents of agricultural and forestry enterprises on the measures to be carried out and on compensation
10. Application for approval as per land use decree

The kreis or bezirk council may request additional documents or data

11698

CSO: 2300/367

COMMUNICATIONS FACTORY STRUGGLES TO ADJUST TO MARKET DEMAND

Budapest NEPSZABADSAG in Hungarian 11 Aug 82 p 10

[Article by Frigyes Berecz, director, BHG Telecommunications Enterprise:
"Adjusting to the Requirements of Foreign Market"]

[Text] The series of restrictions introduced in the economic regulatory system demand a larger output from all industrial enterprises. The BHG Telecommunications Enterprise--still more commonly known as "Beloianisz"--must adjust to additional pressures.

We have made a significant reconstruction investment during the Fifth Five-Year Plan period; most of the 717 million forints used for this purpose must be paid off during the Sixth Five-Year Plan.

In the meantime, it became clear that our present products, telephone exchanges using crossbar technology, are in decreasing demand on the market; demand for them is replaced by fully electronic, stored program controlled, time division multiplexed systems which can only be supplied by radically changing technologies developed through decades and replacing a technical generation. This could only be accomplished by a development requiring hundreds of millions, which is not possible because of the difficult conditions.

Between Two Fires

The effect of these two difficulties is further increased by the world phenomenon observed in the industry, according to which--in contrast to the steady price increases characteristic to most products--prices in this product line are not increasing but are actually dropping.

This is a consequence of the revolutionary development of microelectronics. The miniaturization of elemental components, their integration into a single component exceeded all expectations in our era. Thus the specific price of a circuit component is rapidly decreasing and this compensates for other material and labor cost increases; via a mass utilization of microelectronic components the price can even decrease. But this is only possible if the modern--and ever growing--microelectronics parts selection and all of the technical tools needed for their application are available to the manufacturers of the end products. Concurrently in our country this is only true to a small degree, and thus com-

ponent manufacturers in the electronics industry have been placed in a cross-fire: their development funds needed to follow the swift generation change became more modest; the average price of the domestically available materials and components became more expensive, which increases production costs; in the meantime the world market price of electronics products is not increasing, but rather it is decreasing.

Under these difficult circumstances, a company is placed in a tough position. There are, however, numerous other differences between us and the companies leading the competition. The most conspicuous one is the difference in productivity and efficiency (double or triple). Analyzing the reasons for this, we find five or six coefficients that can be traced back to company or industrial structure professional training deficiencies.

Since such reserves can be found within BHG, we can plan on a 10-12 percent annual production increase exceeding the industrial average, even higher profit increases and a change in our marketing structure allowing--even taking into account the modest size of BHG--to favorably influence the balance of the peoples economy.

The timely repayment of our loans, our budgetary obligations and the wage and social benefit increases of our workers had been considered fundamental during the development of the plan. In addition to these, in smaller steps, the creation of funds necessary for the development of the company by the acquisition of short-term credits. It is clear that during the sixth five-year plan period a development based on a single, large credit is not possible, but the generation change must be started in spite of this.

Reserves

We took a close look at the outside influences on our company, analyzed the possibilities of taking advantage of reserves internal to our organization and those limitations which cannot be overcome with a company effort alone.

We reevaluated our market potentials and together with the management of Budavox Rt. practicing our export rights decided to examine several market demands hitherto considered minor or infeasible. We judged the opinion according to which our products can only be sold for large systems. We confronted the view according to which small business is no business. Today we thoroughly weigh all offers and refuse them only if their economical implementation is proven to be hopeless in advance.

The first achievements of our new marketing policy have already been registered. In 1980, we achieved 1.4 million and in 1981 4.9 million dollars of sales revenues in non-socialist markets. This year, we are planning on 10.5 million dollars, and a further increase appears to be well founded also in 1983. The main components of the achievement:

--We undertook new activities in our enterprise: the establishment of city telephone networks requiring a high level of technical design and valuable labor in implementation. We received a great deal of help in this project from other Hungarian institutions and companies, above all the Hungarian Post Office;

--through smaller investments, we have made our telephone subcenters once again sellable and thus prolonged their market life cycle;

--we have developed, in a very short time, a fully electronic subcenter family and introduced it to the market.

We realize that in spite of the improvements our success on non-socialist markets is still modest in the absolute sense and will be short-lived unless further steps are taken. There are many prerequisites for the increase and maintenance of this success; the most important one demands that all equipment families of the system be most modern in the area of telephony. This can only be achieved through the purchase of new licences; having thoroughly examined several offers in this area, we prepared a proposal and submitted it to the appropriate state organs.

Unfortunately, our achievements have an aesthetic shortcoming. We are missing--according to our hopes and aspirations only temporarily--from the markets of advanced capitalist countries. We can return only with the most modern yet inexpensive products.

In spite of the difficulties in obtaining parts and materials, an effort has been made to limit nonsocialist imports. As a result of this effort, for the first time this year, the company foreign currency balance will be positive.

Our success was achieved without sacrificing socialist exports or neglecting domestic obligations. Sales revenues from exports to socialist countries were 39.3 million rubels in 1980 and 49.4 million in 1981; 62.3 million rubels are projected for this year. Domestically, corresponding to the requirements of economic policies and in accordance with consumer demands, our sales output leveled off at 1.2 billion forints. In 1982, this is merely 36.3 percent of our total sales output.

Let me present only our most important step in the area of cost reduction: the introduction of the factory self-accounting and individual involvement system.

Between 1967 and 1978 BHG developed from a single factory into a multisite enterprise; six factories and a research and development institute--as self-accounting units--are in operation under the direction of central management. In these, there are a total of 9000 people employed. A force of this size cannot be managed from a single center by instructions covering all of the details. Thus the development of self-accounting system got under way as early as 1979. As a first step, the rights and tasks of wage fund control have been partially and in 1981 fully turned over to the self-accounting units. Starting 1982, a part of the wage increases and the bonus funds have been linked to those factors of the factory plan which can only be influenced from the factories. In 1983, the factory management indexes and the wage funds influenced by them will be increased. Our goal is to separate company bonuses by factories. (Considering that only BHG factories can serve as a market for BHG factories--i.e., we have not direct connection with the consumers--this requires very complicated computations.)

Direct Impetus

Using the factory self-accounting and individual involvement system, we make the effects of the external economy on the enterprise felt by the individual factories; furthermore, those influences which can be reacted upon most expeditiously and effectively--such as labor demands, material use, energy consumption, scrap production, reduction of wasted time, increase in the utilization of production tools--by them can provide a direct and immediate impetus, and thus the funds produced by above average work can be retained.

The initial results showed after the first three years already; especially in our four rural factories that were characterized by labor shortages; today they are balanced out and by 1983 will require an increase in labor supply. Parallel to this process, salary differences between Budapest and country plants have been significantly reduced and are disappearing for identical trades. Our goal is to make the effectiveness and productivity of our factories approximate those of factories operating in developed industrial nations and related in regard to the index of technical preparedness.

The foregoing statements prove that the economic output of factories can be improved in spite of continuously increasing demands and ever stricter regulators. This is also verified by the profit increase of BHG, which was 7 percent in 1980, 13.7 in 1981 and is expected to be 16.2 in 1982 and 17.5 in 1983 in proportion to the fixed tool and wage fund.

We know that a few companies show even better and numerous similar growth rates in industry today; their combined achievement proves sufficiently that stricter demands spur every manager with a sound outlook to achieve a higher output.

External Conditions

The view according to which the achievement of a particular company can only be improved by state decisions and regulations is just as distorted as the one that maintains that every cause hindering the more intensive development of the peoples economy is company related and all possible measures must be taken within the company. Studies also point to industrial structural disproportions. Today most of the Hungarian companies are characterized by large amounts of working inventories and steady supply troubles; technical development is hindered by the unavailability of quality materials and parts, or their import is an extra financial burden.

The reason for this phenomenon: the qualitative, technical and quantitative backwardness of the domestic basic material and parts manufacturing relative to the processing industry. If the production of base materials, intermediate products and parts grew more rapidly, in a few years the equilibrium of the branches would be reestablished. The beneficial effects of this would also turn up in supply reliability, an ending of the dependence and a rhythmical production based on steady supply. If we calculated the amount of resources--developmental fund type--made available by keeping 2-3 weeks working inventory instead of 4-6 months, we would discover a deeply hidden source. Such a small inventory, however, can only be kept if supplies are fully guaranteed and if the suppliers are competing. The fact that this is not an unrealistic idea is

proven by the leading industrial countries where continuous production is achieved with only a few days of working inventory.

If not only the quantity of base material production increased but its technical characteristics and quality rose to the world level, this could give wings to technical development. Beside the present development level of technology, developers depend more and more on the "science" of materials and parts. Since the goal is to reach the world level and keep up with competition, the creation of "extra pressure" on supply industry to increase quantity and quality must be an immediate step in industrial policy. Without this, companies operating in the processing industry can achieve only relative success.

Today world economy is equally characterized by newer and newer records of the technical revolution which are nearly impossible to keep up with and, at the same time, a slow down in economic development, which takes crisis proportions in certain areas. All of those companies which must achieve most of their result on the world market can only survive if they accept the competition resulting from a rapid development of market demands; i.e., catch up and keep up with technical development and explore and mobilize their reserves, since the market judges the competition not only by the technical level, but also by prices, deadlines and many other factors. Like any other Hungarian export enterprise, the BHG Telecommunications Enterprise, too has no other choice but to accept this challenge.

9901

CSO: 2500/369

HUNGARY

HIGH COSTS OF INVESTMENT CAPITAL RAISE CONTROVERSIES

Budapest NEPSZAVA in Hungarian 30 Jul 82 p 3

[Article by Patricia Molnar: "In the Crossfire of Controversies"]

[Text] New factory. Shop more modern than old one. Bigger, taller new building. Automatic production line. We could cite these and hundreds of similar headlines for economic news items in the daily press. But even without a more thorough analysis of the contents of the reports and articles, we know of course that our economic development has been investment-centered. Although investment will remain the main driving force of development also in the future, the contributions to the debate among economic experts indicate that the time may be ripe for a change in the investment-centered approach. Economists formulate this succinctly as follows: quality, profitability and effectiveness must play a greater role also in development policy.

New Situation

What is this all about? Actually this is nothing new. After all our investment policy has for years been a target for the experts, on the principle that it is like the proverbial veterinarian's horse on which the shortcomings, ailments and sores can best be demonstrated. Even the investment blacklist is nothing new to the layman.

The list of shortcomings in investment policy reads as follows: chronic disequilibrium on the investment market; dissipation of investment resources; cyclical slumps and peaks that respectively depress prices and cause them to soar; long lead time; large volume of unfinished investments; investors at the mercy of monopolistic contractors, resulting in undisciplined, late deliveries that do not conform to specifications, and in disorganized construction and capital investment processes.

Thus even this criminal record is nothing new. But what is new is the present situation which leaves fewer forints available for investment, as a proportion of national income. External and internal conditions have created a new situation also in the sense that our foreign indebtedness, too, has drained our accumulation resources, while the structure of our economy is doubly ripe for changes that again will require forints: first, because the growth reserves stemming from the rearrangement of the various branches and sectors of our econ-

omy, and from shifts in their relative weights, have become exhausted; and secondly, because the so-called microstructure has become even more vulnerable--a no small proportion of its products is obsolete by international standards.

From the preceding it would seem that an increase in investment is warranted more than before, even if we do feel the pinch. But if we line up the arguments of the other side in this debate, this conclusion becomes more ambiguous. The other side contends that even though the accumulation rate in 1968-1981, ranging from 18 to 32 percent, was better than the other important economic indicators, a curtailment of investment is nevertheless warranted because investment, on average over a longer period of time, was above the optimum. It is an altogether different matter that this optimum is based on estimates, rather than on thorough economic analyses. But the "above the optimum" label attached to investment is acceptable if we regard as true (and on the basis of the latest experience we can do so) that the enterprises and the entire economy are suffering from an internal fever, an unsatiable hunger for investment.

An appetite for investment in itself is of course no fault. But it is a fault that the "feeders" have not always been able to discriminate, or to properly distribute the manna of investment subsidies, between the chronically "obese omnivours" and those who wanted nourishment merely to maintain and strengthen their condition.

Easy Money

On the basis of their underlying motives, demands for investment can be divided into two groups. In the first group belong the demands for investment worthy of consideration, motivated by a desire to enhance technical and economic values and to narrow the lag. In the other group belong mostly investment demands that obtained developmental resources because of the softness of the investments and a desire to obtain money easily. If we consider this other group, the views are not unfounded that now regard as excessive the earlier rates of investment. One harmful effect of the investment fever is the swelling volume of unfinished investments and the simultaneous lengthening of the construction time. According to experts, for these two reasons the national economy is incurring a loss of 10 billion forints a year. For the long construction time involves additional costs; the delay means a dropout of profit; if the payoff period is longer, the enterprise and the national economy recover the invested forints later; during the slowdown the competitors catch up and the chances of marketing worsen, etc.

Considering the mentioned argument, the curbing of investment can be justified economically. But the fact remains that economic necessity, rather than economic expediency, continues to hold the reins. To maintain the customary growth rates would require such imports of energy and raw materials that would lead to excessive indebtedness. Furthermore, even the maintenance of the present living standard can be imagined only by tapping our accumulation resources.

But to what extent can we tap these resources? So far as our present rate of investment is concerned, many are of the opinion that it cannot be any lower, because that would jeopardize our future ability to earn income. This again would have an unfavorable effect on the living standard, exports, external economic and domestic equilibrium, and our growth possibilities.

Investment Reins

Then what is the solution? Among other things, the often mentioned selectivity, such that it will become harder to obtain forints for investment. Well, if we consider only the measures adopted recently, both investment policy and credit policy have become stricter. Investments started after 1 June are subject to a 25-percent tax if their construction and installation costs exceed 500,000 forints. The decree raising (retroactively) by one percentage point the interest rates on intermediate- and long-term credits provided for economic organizations was promulgated one month later, on 1 July.

Experts contend, however, that making investments more expensive actually does not make developmental resources harder to get. The higher cost can be passed on, and thus the cumulative inflation burdens the entire economy. But now the enterprises are able to pass on only partially in their prices the higher interest rates as an increase in their costs.

Investment decisions are burdened not only with debates. Far more serious are the conflicts of interest that exist between the momentary and the long-term objectives. To mention only a few among them: the equilibrium here and now, the need for technical development, enhancement of our ability to export, structural change and the requirements of proportionality, etc. But in the final outcome the investments at any given time leave a profound, long-lasting and permanent impression on the economy. Thus in deciding the questions of "where" and "how much," these long-range considerations must be given priority, even if occasionally they may be risky.

1014

CSO: 2500/347

MODERNIZATION OF MARITIME FLEET REPORTED

Warsaw ZYCIE GOSPODARCZE in Polish No 28, 1 Aug 82 p 10

[Article by j.d.: "Ships for Polish Shipowners"]

[Text] Nowhere is depreciation of property more evident than on a ship. It is not merely a question of a ship's external appearance; rusted, unmaintained hulls have always been characteristic of ships sailing under the Greek flag. The term "Greek" in sailor's jargon was synonymous with a neglected ship. Unfortunately, in recent years this pejorative designation has also come to be used with regard to Polish ships. However, the aging of the fleet is apparent mainly in the level of its technology, in its loading and unloading possibilities, in the number of crew members needed to serve a ship, the speed of ships and the like. Consequently, this decides the fleet's competitiveness, the opportunities for taking on cargo, the amount of freight and the possibilities of putting in at different ports.

Thus, a flexible investment policy, or more precisely, continuing wise investment is one of the basic conditions if we are to maintain our position on the worldwide maritime freight market. Our shipowners have not had the best experiences in this regard. They were not the favorites of domestic shipyards. However, the hardships of recent times have endeared the shipowners, and the shipyards now view the offerings of native shipowners more kindly.

Not long ago, at the Adolf Warski Szczecin Shipyard, a contract was signed for the construction of five modern bulk carriers for the Polish Steamship Company [PZM] weighing 33,000 dwt each. The contract was based on real prices. It contained a clause stating that the PZM is obliged to earmark the sum of \$3 million for each ship for the purpose of making the indispensable foreign-exchange purchases. These five ships, which the PZM is to receive in 1984-1985, continue the so-called "combatant" series. The new ships will be modified. Together with the recently launched "Powstaniec Warszawski," the Szczecin shipowner now has 15 ships from this series in use.

The new bulk carriers will have five holds which are adapted to the dimensions of containers. They will normally be used to transport coal, grain, ores and phosphorites. They have an advantage over ships of this series that are already being used in that they will consume 10 tons of fuel less per day. The Warski Shipyard is also preparing to build six ships for the PZM weighing 9,500 dwt each and six ships weighing 3,000 tons each.

The PZM will receive eight universal bulk carriers from Argentinian shipyards. Six of these will weigh 26,000 dwt each, with a draft of 9.35 meters, a length of 180 meters and a breadth of 23.5 meters, each with five holds. They will be equipped with engines produced by the Burmeister firm with an output 7,050 kilowatts that will be able to reach a speed of 14 knots. The first of these is to be put into operation in November 1983: another four will be ready by 1984, and the rest, in January 1985. The other two ships from Argentina are large, "panamax"-size ships, weighing 61,000 dwt each, and having a length of 224.5 meters and a breadth of 32.2 meters. They are to be put into operation in 1985. They are being built on the basis of 100 percent Argentinian credit.

When asked whether the Falkland crisis will have a bearing on the implementation of this contract, Minister Jerzy Korzonek stated that so far work is proceeding according to the contract.

At the shipyard in Warnia, three ships weighing 38,500 dwt each are being built. These ships, which are part of the so-called "general's" series, represent a new generation of bulk carriers, both in terms of engineering-operational realization and social facilities for the crew. The first of these will be launched by the PZM next year.

The PZM fleet, now a partner in the Polish Joint Stock Shipping Company, would thus add 17 new ships by 1985. This would enable it to remove the following bulk-general cargo ships, weighing 14,000 dwt each, from service: the "Gornik," the "Energetyk," and the "Hutnik" as well as the "Ziemia Szczecinska" and the "Ziemia Lubuska" that were built in 1966. "Manifest Lipcowy," which was built in 1970 and weighs 55,000 dwt, would also go for scrap.

The Polish Ocean Lines [PLO] has ordered three chambered container ships with a deadweight capacity of 22,800 tons and a carrying capacity of 1,200 TEU [expansion unknown], from the Lenin Shipyard in Gdansk. These are designated for the Far East line. The PLO has also signed a contract with the Paris Commune Shipyard in Gdynia for a delivery of eight semi-container ships with a deadweight capacity of 14,000 tons each. These ships will be put into service from 1985 to 1987 on the South American line. Currently, the PLO is negotiating with this same shipyard for a delivery of five ro-ro ships with a deadweight capacity of 7,000 tons each for the Mediterranean line. The reasons that the scheduled delivery dates for these are later than for the ships contracted from the Warski shipyard are the backlog of orders and the above-mentioned lack of interest of domestic shipyards in serving the needs of Polish shipowners.

What the Gdynia shipowner receives in the next few years will have been purchased from abroad. By the end of July 1982, the first of four ro-ro ships built by the Spanish Astilleros Espanoles Joint Stock Company Shipyard in Porto Real near Cadiz is to be delivered to the PLO. The second Spanish ship is to be launched most likely in September, and the remaining two will be put into service at the end of 1982.

These will be the largest and the most modern Polish liners (currently there are only 118 ocean ro-ro ships [overseas carriers] in service worldwide that have a deadweight capacity of more than 10,000 tons). Thus, it is worthwhile to cite several characteristics of these ships in detail. They have a length of

199 meters meters and a breadth of 31 meters; they are 20 meters high at the upper deck and they have a draft of 9.5 meters. The ships have four decks onto which cargo is loaded by means of a permanent, two-way stern loading platform 50 meters long and a system of internal permanent ramps. Cargo is transported in containers or on special container pallets. The ships are powered by Sulzer engines with an output of 23,450 kilowatts, enabling an operational speed of 20 knots.

The liners will be able to transport a maximum of 1,200 20-foot containers each (TEU). They will also be able to carry 150 refrigerated containers. One hundred private cars will be able to fit in the bow of the ship. Four cargo holders will also make possible the transport of approximately 1,000 cubic meters of cooking oil and other liquid cargo that must be heated to 60° C. The liners will also have a gymnasium, a reading room, a library, video recorders and colored televisions. All crew members will have private cabins with their own sanitary facilities.

Technologically, the ships will be equipped to simplify the work of the crew. They will have stream rudders at the bow and stern, stabilizers to prevent listing, a fully automatic power plant with a central cooling system, a mini-computer and a system of navigation and satellite communication.

The ships have been named the "Poznan," "Katowice II," "Gdansk II" and the "Wroclaw." They will be put into service on the Australian line in place of the semi-container ships of the "Jozef Conrad Korzeniowski" and "Jacek Malczewski" type. Due to the shortening of transshipping operations in Australian ports, the round-trip traveling time will be reduced from 120 days to 90 days. The reduction in the ship's cost of cargo transfer also affords considerable savings; the ro-ro ships will carry 2-2.5 times more cargo than the semi-containers now in service on the Australian line.

The shipowner hopes that the new tonnage will bring him many cargoes that could not be transported formerly due to the limited transport possibilities of semi-containers (containers plus conventional general cargo). Such loads, which are traditionally transported from Europe to Australia, include automobiles (private cars and trucks), busses, tractors, construction machinery, luxury vehicles [drogowe jachty] and large elements of complete industrial installations. Cellulose, lumber and sheep come in the other direction. The PLO expects these ships to enable it to expand its contacts with the Scandinavian and Central European markets, as well as with several European socialist countries which have been using the services of Western carriers to transport wool and leather imported from Australia and New Zealand.

The engineering-operational parameters of the PLO liners demonstrate that these ships will be able to compete tonnage-wise with the liners of foreign ship-owners operating on this shipping route, which is the route most saturated with tonnage today after the North Atlantic route.

Let us bear in mind that the modernization of the Polish liner fleet began only 2 years ago with the launching of the "Inowroclaw" ro-ro ship, which is a joint venture ("Polanglia") with the British United Baltic Corporation. The second step was the introduction of four con-ro container-type ships into the PLO North

American line. These are the property of the Polish-French Joint Stock Shipping Company. They are the ships: "Tadeusz Kosciuszko," "Kazimierz Pulaski," "Wladyslaw Sikorski," and "Stefan Starzynski." These ships normally make a round trip voyage in 28 days (i.e., they leave a new port every week). They travel between Rotterdam, Halifax, New York, Baltimore, Wilmington or Le Havre, and again to Rotterdam, Bremerhaven and Gdynia.

8536

CSO: 2600/830

SPECIAL CURRENCY EXCHANGE RATES PUBLISHED

Warsaw TRYBUNA LUDU in Polish 23 Aug 82 p 7

[Text] Announcement of Exchange Rates Table No 34/82, effective 23 August 1982, by Stanislaw Majewski, president, Polish National Bank, on 23 August 1982.

I. Foreign-currency exchange rates in zlotys for countries of the first payments area [socialist countries] for commercial and noncommercial payments remain unchanged.

In purchases of travelers' checks for rubles, issued by the USSR Foreign Trade Bank and payable outside the USSR in the currency of the country where cashed, an exchange rate of 11,773.80 zlotys per 100 rubles is applied.

II. Foreign-Currency Exchange Rates in Zlotys for Countries of the Second Payments Area [Capitalist Countries].

[Table on following page]

Exchange Rates Table No 34/82

Country	Curr Symb	Currency	Foreign Exchange		Money		Average
			Purchase	Sales	Purchase	Sales	
			4	5	1	2	6
Saudi Arabia	771	1 rial***	25.20	25.46	---	---	25.33
Australia	781	1 Aust.dollar	89.41	90.31	88.06	91.66	89.86
Austria	786	100 schillings	488.70	493.62	481.34	500.98	491.16
Belgium	791	100 francs	179.63	181.43	176.92	184.14	180.53
Denmark	792	1 kroner	19.87	9.97	9.72	10.12	9.92
Finland	780	1 markka	18.01	18.19	17.74	18.46	18.10
France	793	1 franc	12.35	12.47	12.16	12.66	12.41
Greece	724	100 drachmas	121.85	123.07	105.61	124.91	122.46
Spain	785	100 pesetas	76.42	77.18	75.26	78.34	76.80
Holland	794	1 florin	31.17	31.49	30.70	31.96	31.33
India	543	100 rupees***	904.02	913.10	---	---	908.56
Ireland	782	1 pound***	118.22	119.40	---	---	118.81
Japan	784	100 yen	32.69	33.01	32.19	33.51	32.85
Yugoslavia	718	100 dinars	178.75	180.55	154.93	183.24	179.65
Canada	788	1 Canad.dollar	69.50	70.20	68.45	71.25	69.85
Kuwait	770	1 dinar***	298.08	301.08	---	---	299.58
Lebanon	752	1 pound	17.00	17.18	16.75	17.43	17.09
Libya	651	1 dinar***	292.79	295.73	---	---	294.26
Luxembourg	790	100 francs	179.63	181.43	176.92	184.14	180.53
Norway	796	1 kroner	12.72	12.84	12.52	13.04	12.78
Portugal	779	100 escudos	100.06	101.06	86.72	102.57	100.56
FRG	795	1 mark	34.34	34.68	33.82	35.20	34.51
United States	787	1 dollar*	86.69	87.57	85.39	88.87	87.13
Switzerland	797	1 franc	40.06	40.46	39.45	41.07	40.26
Sweden	798	1 kroner	13.94	14.08	13.73	14.29	14.01
Turkey	627	100 pounds	53.02	53.56	45.95	54.36	53.29
Great Britain	789	1 pound**	147.17	148.65	144.95	150.87	147.91
Italy	799	100 lira	6.15	6.21	5.33	6.30	6.18

* Valid also in clearing accounts with the following countries: Bangladesh, Brazil, Ecuador, Greece, Iceland, Kampuchea, Colombia, Lebanon, Pakistan Peru and Turkey

** Valid also in clearing accounts with the following countries: Nepal and Pakistan.

*** The Polish National Bank does not purchase money in these currencies.

CSO: 2600/894

END